HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

THIRD SESSION—THIRTY-FOURTH PARLIAMENT

42 Elizabeth II

VOLUME XIII, 1993

COMPRISING THE PERIOD FROM THE EIGHTEENTH DAY OF FEBRUARY, 1993
TO THE TWENTY-THIRD DAY OF MARCH, 1993

INDEX ISSUED IN A SEPARATE VOLUME

Published under authority of the Speaker of the House of Commons by the Queen's Printer for Canada

Available from Canadian Communication Group — Publishing, Supply and Services Canada, Ottawa, Canada K1A 0S9.

HOUSE OF COMMONS

Thursday, February 18, 1993

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to six petitions.

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

* * *

HOUSE MANAGEMENT

65TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, on behalf of my colleague, the chairman of the Standing Committee on House Management, today I have the honour to present the 65th report of the Standing Committee on House Management regarding the question of privilege referred to the committee on December 4, 1992.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Charles A. Langlois (Parliamentary Secretary to the Leader of the Government in the House of Commons): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT, 1993 NO. 2

MEASURE TO ENACT

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved that Bill C-113, an act to provide for government expenditure restraint, be now read the second time and referred to a legislative committee in the Human Resources envelope. He said: Madam Speaker, I welcome this opportunity to lead off the debate on second reading of Bill C-113, an act to provide for government expenditure restraint.

A new bill was required because parliamentary practice would not permit us to make the clarifications which we desire to the former bill, Bill C-105.

Bill C-113 seeks to implement a number of expenditure restraint measures which I announced in the economic and fiscal statement tabled in the House last December and supersedes Bill C-105 through the clarification of provisions in respect essentially of changes to the Unemployment Insurance Act.

These measures are essential in our work to contain the deficit and to maintain an environment that supports economic growth and increased employment. These are the goals, very specifically of this government, jobs and growth.

These are the goals and objectives that underlie the philosophy of this government. These are the goals of the policies and programs that we have brought forward to the House of Commons for the Canadian people that underlie the basic thrust of our government's initiative.

Before I describe these measures, I want to note some very encouraging signs that are appearing that give us clear hope for a durable and sustained recovery.

Just this morning we were given by Statistics Canada the latest Canada merchandise trade figures for 1992 and, as my hon. Liberal colleague across the way just indicated, they are very impressive figures indeed.

Exports have reached a record high annual level of $157.5 billion. This was an 11 per cent increase over 1991 and the largest year over year increase since 1984.

Our exports to the United States reached a record high level of $122.3 billion, $14.7 billion more than in 1991, and about $20 billion more than in 1988, the year prior to the free trade agreement.

Canada's merchandise trade balance with the United States reached $17.7 billion, the highest since 1985 and $3.9 billion higher than 1988.

That clearly means that the policies we have been following are indeed working. The policies of restructuring, the policies of enhanced productivity, the policies of the GST which have made Canadian exporters, particularly manufacturers, more competitive, the policies of tax reform, the policies of expenditure restraint, the budgetary measures, the measures that we took in terms of improving the capital cost allowance for the manufacturing and processing sector, all of these things are starting to take hold.

What is more is that on February 16 we had the latest monthly survey of manufacturing statistics. Here again is some good news for my hon. friend from across the way. Shipments experienced a strong recovery in the second half of 1992, increasing at an annual rate of 17.2 per cent since July. This really means that some of the things that we incorporated in the budget of February 1992 are starting to take hold. The fundamental philosophy of this government is indeed working, preparing Canadians to take advantage of a globalized economy and to take advantage of the competitiveness out there and meeting that competitiveness.

It should come as no surprise to my friends across the way that employment too has improved. Employment has risen in eight of the last nine months with full-time employment up 35,000 in January, bringing the cumulative gain since August to 161,000. That is clear progress.

I know my hon. friends across the way do not like good news. They are the preachers and they are the advocates of gloom and doom. There is some good news. It is not a tribute to them, but it is a tribute to the Canadian people, to small business and to the entrepreneurs. They are taking advantage of the kinds of policies that they know are needed in order to improve their competitiveness and to compete in a global economy.

The government's efforts to bring down inflation have too borne fruit. The inflation rate for 1992 was 1.5 per cent, the lowest in 30 years. That has an impact upon prices. It has an impact upon unit cost. It has an impact upon interest rates, all in a very positive way. As a result, interest rates have come down significantly. Today's 6.75 per cent prime rate is 300 basis points lower than its November peak.

As I indicated, labour productivity has grown strongly at 2.6 per cent for the first three quarters of 1992.

With housing starts, and again responding to a number of the initiatives that we took with respect to the housing industry, the fact is that housing is now made more affordable thanks to low inflation, thanks to low interest rates and thanks to some initiatives that the government took in the February budget such as the RRSP proposal. Yes, it is something that my friends across the way did agree with.

Mr. Milliken: We suggested it.

Mr. Mazankowski: They did not suggest it. The home builders suggested it. Let us give credit where credit is due. The reduction in the level of the down payment from 10 per cent to 5 per cent, all of these things have had a very positive effect upon the housing industry. We have seen housing starts up by 7.7 per cent, according to Canada Mortgage and Housing Corporation, in 1992. There is optimism for a 5 per cent to 6 per cent increase in 1993.

Our gross domestic product is the over-all gauge of where we are going in terms of economic growth. We have had seven consecutive quarters of growth in Canada. Contrast that with the United Kingdom. It has had nine consecutive quarters of negative growth. Germany now has had two consecutive quarters of negative growth and it is expecting to have negative growth in 1993. Japan has had a quarter of negative growth.

Around us we are not experiencing that robust recovery and that too has an effect upon Canada because we are a trading nation.

• (1020)

We rely upon trade for one-third of our gross domestic product. When the world economic situation is in a slow-down, then obviously Canada experiences that. Notwithstanding that, we are making progress.

All these factors have underpinned a modest but steady growth in GDP as I have indicated. We have been experiencing this modest steady growth notwithstanding the fact that there has been a stubborn global recession.

Economic activity in the major industrialized countries world-wide has been held back by corporate restructuring, by trade uncertainties and by huge levels of debt overhang. These are facts of life. The weaker than expected economic growth we have seen in this country has meant that government revenues are less than we expected.

Mr. Milliken: In spite of the 32 tax increases.

Mr. Mazankowski: I know my friends across the way are going to be fully supportive of the Clinton measures which amount to the biggest tax grab in American history. It will be rather interesting to see how they respond to that.

Mr. Milliken: The Prime Minister said they are following your policies.

Mr. Mazankowski: Just for the record, I did not increase taxes in the December statement. I did not increase taxes in the February budget. As a matter of fact, we reduced taxes and that irritates the hon. member across the way. He does not like anything that is good. He does not like anything that is positive. He is just so negative.

Government revenues have been a problem and I alluded to that in the economic statement. That is why we are dealing with this bill today. This has led to severe upward pressure on the deficit. As a consequence, we have to take strong measures to keep our fiscal situation under control.

We know and even my friends across the way are starting to learn that sound fiscal policies are essential if we are to maintain economic growth that secures existing jobs and creates new ones.

In the economic statement I presented to the House in December I did outline the steps we are taking to assist economic recovery which is now under way and to foster and bolster stronger growth.

We took measures to stimulate job creation, especially through the small business sector. The small business sector is responding in a very positive way. I think it is a clear indication that in this country small business is indeed the main engine of economic activity.

We took steps to enhance support for research and development, which is one of the most generous R and D programs in the world. We continue to take action to encourage exports through improved access to foreign markets and to improve Canada's international competitiveness.

We increased funding for worker training coupled with measures to foster joint efforts by government, business, labour and the learning institutions to work together to upgrade our skills, to bring about new skills and to make learning a lifelong priority. There is $3.8 billion being provided.

We provided for additional support for strategic investment in Canada's infrastructure, not the willy-nilly infrastructure program that is being proposed across the way. It is an infrastructure program that is strategic in nature, that will help improve our productivity, that will help improve our competitiveness, that will remove economic bottlenecks. The work can get started on it almost immediately in co-operation with the provinces and the private sector.

These important investments in our economy are indeed necessary, but we cannot allow ourselves to make these expenditures without ensuring that we have sources of revenue and without allowing the debt and the deficit to get out of control. We are at the stage where we cannot simply say "charge it" and make no provisions to pay for the actions we have announced.

The debts held by governments at all levels in this country and the deficits that are fuelling them are a serious burden holding back economic growth and job creation.

As I said in the economic statement: "Excessive government deficits, both federal and provincial, have contributed to a level of net foreign debt far higher for Canada than for any other G-7 country. This large net foreign debt, public sector and private sector, means that Canadians paid out more than $22 billion in interest last year to foreign lenders. That is money that Canadians cannot use to develop our economy".

Those words are as true today as they were in December and that is really what the C. D. Howe Institute was saying when it brought down its report earlier this week.

Since we have come into office we have worked to put this country's finances back in order. We have taken difficult steps and every one of those steps we have taken to curb and restrain government expenditure has been opposed by the Liberals and the New Democrats, every single, solitary one of them.

I think there are about 12 measures in all. We privatized Crown corporations and they opposed it. We passed a spending control act. We implemented the debt servicing reduction account making fiscal responsibility a part of federal law. We have cut the growth of program expenditures from 14 per cent to less than the rate of inflation, somewhere around 3.8 per cent. Government operations have been scaled back way below the rate of inflation. They have opposed every single solitary one of those initiatives.

Notwithstanding those measures which I think amount to about $118 billion worth of cuts, given the impact of the recession on the government revenues we have to continue to do more to restrain the deficit and we have to do more on the government spending side. In other words we have to cut back further still. There are two clear reasons why we must take this action.

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

Second, if we fail to act now we will have to deal with even greater deficits in years to come and bringing the fiscal situation back in balance will exact an even more painful price from Canadians at that time. This would mean significantly higher taxes, reducing our competitiveness and our ability to create sustaining durable jobs.

The alternative to spending restraint is the imposition of higher taxes and that in my view is not a solution. A recent editorial in the Halifax *Chronicle-Herald* made a very good point in commenting on the economic recovery currently under way and I quote: "Recovery is not yet so strong that it cannot be taxed away". I certainly agree with that.

As I indicated earlier in my remarks, we are going through some very positive economic indicators that clearly identify the fact that we are coming out of this economic downturn but we should not be doing anything deliberate that would undermine the fragility of that recovery.

Clearly then the most responsible avenue of action is to further constrain government spending. The measures we have proposed including those implemented by this bill will reduce allocations by some $8 billion over the next two years. Considering a portion of that is being allocated in the current fiscal year this will bring about a significant reduction in the structural component of the deficit.

The bill takes action in a number of specified areas. For example, it will impose a freeze on salaries for elected representatives and government personnel. It provides for changes to the Unemployment Insurance Act so that average benefits payable to claimants over the next two years remain at average 1992 levels. It also provides for claimants who leave their jobs voluntarily and without just cause or are fired as a result of misconduct to be ineligible for UI benefits. It provides for the reduction by 10 per cent of certain regional transportation subsidies where the decrease requires legislative amendment. Finally, it will implement a 10 per cent reduction in federal payments under the Public Utilities Income Tax Transfer Act.

Deficit control is a key foundation for Canadian investment, for Canadian competitiveness, for growth and for job creation. In the past when this government decided to put forward measures to restrain spending we knew that the government itself must set an example. Between 1984-85 and 1991-92 we limited the cost of government operations to an annual average increase of just 2.2 per cent. This was less than half the rate of inflation in that period and well under the 4.1 per cent annual growth rate in over-all federal program expenditure. Now, as part of this additional spending restraint, we are reining in further the cost of government operations, building on the efforts we have taken over the past number of years.

• (1030)

Bill C-113 proposes to freeze the salaries of some 390,000 personnel in the public sector. This freeze will cover the next two fiscal years and is expected to save the government $800 million over that period. Those affected include the Governor General, the lieutenant governors of each of the provinces and members of the federal judiciary. All federal public servants will also have their salaries frozen, as will the Prime Minister, as will all members of the cabinet and as will all members of the House of Commons and the Senate for a two-year period, as the economic statement suggested. It is interesting to hear the NDP scream about that.

The hon. member over there says: "Do not worry about the deficit. Just print more money and we will get on with the show". That is the old solution of the NDP. It is rather interesting that even the New Democratic leader is now talking about fiscal restraint and cutting the deficit. We are really going to be interested in seeing what she has to offer.

As well, employees of Crown corporations who are dependent on appropriations and not in competition with the private sector will have their wages held at current levels. Crown corporations that are dependent upon appropriations but in competition with the private sector will be funded as if their wages were frozen.

Departmental operating budgets are also being reduced by a further 3 per cent on top of the 2 per cent cut that was taken last fall.

Taken together the wage freeze and the operation cuts mean that the total cost of government will be 5 per cent lower than planned levels over the next two fiscal years. That is a very important element to bear in mind, because we have heard as we go through this very difficult economic period that businesses and companies have had to restructure, families have had to restructure and cut back and clearly, there is an expectation that governments must do the same. Governments at the federal and provincial levels must do the same. They must lower their overhead costs and they too must set an example. That is precisely what we are doing. Even the President of the United States recognizes that.

An hon. member: He is following your example. Even the Prime Minister said that.

Mr. Mazankowski: If he follows us and it works as well as it has been working for us, as I have indicated here, he is really on the right track. The only difference is that he thinks he can tax his way out of this particular situation. We have chosen another route.

Mr. Milliken: You cannot. You have already done it for the past eight years.

Mr. Mazankowski: We are taking advice from a gentleman whose party when we came into power was spending $1.33 for every dollar's worth of revenue it was taking in. Anyone, even someone in kindergarten would understand that you cannot continue to spend $1.33 on program expenditures for every dollar's worth of revenue that comes in. That is how sadly they are lacking over there in terms of straight fundamental business acumen.

There is a lot of chattering over there, Madam Speaker, but no concrete ideas. It is rather interesting that when we brought down the economic statement we debated for the equivalent of three or four days to see what they had in mind. There was nothing, absolutely zilch. They said: "Spend $15 billion on infrastructure". Where were we going to get the money? "Well, you get it from the taxpayers. You get it from the municipal taxpayer, the provincial taxpayer and the federal taxpayer".

Mrs. Feltham: Same taxpayer.

Mr. Mazankowski: Right. Same taxpayer.

I suppose I should start attacking the NDP government in Ontario. Then my hon. friend and I would agree on that.

I turn now to the changes to the UI act. In the December economic statement we announced a number of measures to stimulate job creation and in this particular area we provided some very positive initiatives.

For example, the government will effectively pay any increase in unemployment insurance employer premiums in 1993 over 1992 to a maximum of $30,000 for any small business that increases employment. This is a very good initiative and it is being utilized very effectively.

As well, we are holding the line on UI premium rates for both employees and employers in spite of the high payouts from the UI fund estimated to be something in the order of $22 billion in 1993.

Again danger is posed by growth in the deficit and means we must keep costs of the unemployment insurance system under control. With premium rates for 1993 kept to 1992 levels we are proposing to hold the average level of benefits over the next two years likewise to the 1992 levels.

The benefit rate will be set at 57 per cent of insurable earnings for the next two years, down from the current 60 per cent. This reduction will offset the growth in wages that would otherwise cause average benefits to increase during this period.

The new rate will apply to claims made after April first of this year or on the day that this bill comes into force if that is later. Workers who start receiving benefits before that date will not have their benefits reduced.

As well, we propose to establish a new rule that would disqualify claimants who quit their jobs voluntarily and without cause or who are fired because of misconduct. The total saving from these changes is estimated to be some $850 million for 1993-94 and $1.6 billion in the following year.

There has been a lot of discussion about these measures, a lot of hysteria and misinformation, but clearly our motivation in making this change was our commitment to treating all Canadians as fairly as possible.

In our current economic situation we believe it would not be fair to continue subsidizing those individuals who chose to quit their jobs without justifiable reason. However, many people including workers and their representatives have expressed some concerns about the implementation of this new provision.

In order to reassure them that the implementation of this measure will conform to the same standard of fairness that motivates this policy decision, we are making certain clarifications to the Unemployment Insurance Act, many of which are already part of the administrative procedures of the UI plan. Much of the jurisprudence and the Unemployment Insurance Commission policy already in effect will now be stated explicitly in law.

Over the years extensive safeguards have been built into the system to ensure that those who have just cause to leave their jobs will receive their full benefits. All cases are reviewed and will continue to be reviewed in an objective and compassionate way.

The definition of just cause is clearly laid out in the existing Unemployment Insurance Act and applies to a wide range of individual situations. For example, the disqualification does not apply to those who leave their jobs because of harassment, including sexual harassment or discrimination on grounds prohibited by the Canadian Human Rights Act.

As well, the act covers those who are obliged to quit their jobs to accompany a spouse or dependent child to another residence or because they work in conditions that endanger their health or their security. These people will not be disqualified. Workers who must leave their jobs to care for their children are not affected.

The list of definitions of just cause will be extended so that situations already recognized by the case law in this area will be explicit in the revised act. The act will now explicitly recognize the following situations as just cause: reasonable assurance of another employment in the immediate future, excessive overtime or refusal to pay overtime, significant changes in work duties or wages, antagonistic relations between an employee and a supervisor for which the employee is not primarily responsible, practices of any employer that are contrary to law, discrimination because of membership in any worker organization and undue pressure by the employer to force the employee to leave his or her job.

As well, we are explicitly recognizing the special needs of workers and their families by extending the definition of child care just cause to include care for any member of the immediate family.

The purpose of this is to clear up some of the misinformation, distortion and confusion that has been perpetrated by critics and indeed by people across the way. We believe this is a step in the right direction and we believe that most Canadians will support it. Other aspects of the unemployment insurance policy are also being enshrined explicitly in legislation. For example, workers who leave their jobs because of harassment, sexual or otherwise, will have their claims heard with sensitivity and privacy and without having to confront their abusers.

• (1040)

I simply want to re-emphasize the point. A fair and efficient system of adjudicating claims is already in place to ensure that people who voluntarily quit their jobs are protected from biased considerations of their claims. What we are doing with this legislation is making much of the case law and UIC policy explicit in the Unemployment Insurance Act, both to reassure Canadians that the system is fair in practice as well as in principle and to better inform workers of their rights.

I now turn to the transportation subsidies and what we are proposing to do under this legislation in that regard. I would like to deal with the issue of regional transportation subsidies in particular with respect to the Atlantic Region Freight Rate Assistance Act and the Maritime Freight Rates Act. These programs will be cut by 10 per cent over the next two fiscal years, commensurate with our commitment to reduce grants and contributions by 10 per cent over the next two years.

Likewise, with respect to the western grain transportation subsidy, the bill we are currently considering proposes a new formula for calculating payments by the federal government under the Western Grains Transportation Act. The setting of freight rates under the act will be modified to achieve a 10 per cent reduction in federal expenditures for 1993-94 and 1994-95.

Turning to the Public Utilities Income Tax Transfer Act, this legislation proposes to reduce payments under the Public Utilities Income Tax Transfer Act, or PUITTA as it is commonly known in the House of Commons, by some 10 per cent. PUITTA provides for the transfer to the provinces of 95 per cent of the federal income tax collected from privately owned electric and gas utilities. The budgets of February 1990 and February 1991 capped these payments at their 1989-90 levels. However this measure has failed to provide any savings since payments in the last two fiscal years were well under the ceiling we had set. We have decided on a modest reduction to keep in line with the over-all approach of a broadly based cut in grants and contributions. We have provided for a modest reduction of 10 per cent in the actual grants that are provided under this program for the years 1993-94 and 1994-95.

By stressing these measures we are making it absolutely clear that it is necessary to keep our deficit under control. The issues of taxation, spending and interest rates are closely linked. The policies that we pursue in these area have a profound impact upon the viability of economic recovery which I have indicated is now gathering steam.

We know that the only way to ensure the prosperity of Canadians is through sustained economic growth. We have no intention of endangering the growth we already see by allowing the deficit to spiral out of control. This bill is a key part of our effort to rein in the deficit. I urge all members of the House to support it with enthusiasm. Given the fact we have the Leader of the Opposition committed to deficit reduction and given the fact we have the New Democratic Party getting on to this, we are now asking and appealing to them. This is what Canadians want us to do. They want us to act responsibly and they want us to bring the deficit under control. They are concerned for the future. They are concerned about their children and their grandchildren.

It was quite evident last night as we watched President Clinton set out his economic plan to the joint session of Congress. Obviously we welcome Mr. Clinton's initiative because he has recognized what we have been recognizing in this country for a number of years and has acted upon it. He has acted on confronting the difficult challenge of controlling the rampant growth of deficits and debt.

Under the plan he set out last night the U.S. government will consume less of the world savings rather than an increasing share. This should help reduce interest rates and encourage productive investment and growth, not only in the United States but in all countries around the world. We were encouraged by the fact that the president did not try to put any gloss on the enormous challenge of reducing the deficit. He was forthright and frank. He did not try to soften the hard reality that we as Canadians know to be true. Deficit reduction is painful. Deficit reduction is not politically popular. Deficit reduction affects all Canadians. We obviously want to support and maintain the programs we have in place but we

cannot continue to do it on borrowed money. We have to pay our way.

It is interesting to note that the economic plan Mr. Clinton announced last night is very similar to the plan we have been pursuing as a government since we came to office. He has emphasized investments in public infrastructure and training and the important role that small business can play in stimulating investment in jobs. These precisely echo the themes of our February 1992 budget and the December 2 economic statement.

In December of last year I laid out a plan for bolstering infrastructure by $2 billion over the next five years. That is about $20 billion in American terms. Our plan emphasized roads, bridges, railroads and high technology communications just as the president referred to last night.

In Canada we too have emphasized skills training and education. We have doubled the funding for federal supported labour force training in the past several years. Tax assistance will be provided for sector training councils in the private sector.

In Canada we have stressed the importance of small business. In December I introduced a program for an investment tax credit so that small businesses could improve their technological capability, their productivity and their competitiveness through the purchase of new machinery and commitment.

Programs have been introduced for encouraging job creation by cutting the cost of hiring such as the unemployment insurance freeze for small business.

When we look at some of the more specific proposals in the president's economic plan we see obvious parallels to Canada's economic plan. For example, in the February 1992 budget we introduced an earned income supplement that will provide additional benefits to low and middle income working families with children. President Clinton has emphasized such a program for removing a major impediment to many families fully participating in the work force. The child benefit package we brought forward is a benefit package to help the working poor maintain their activity in the work force.

To reduce the deficit President Clinton has proposed deep cuts in program spending particularly in defence and in the operating costs of government. In Canada we have consistently followed a policy of spending restraint during our term in office. For example, the president proposed a one-year freeze on U.S. civil servants' wages. In Canada federal public sector wages will be frozen for three of four years from 1991 to 1994. In many respects we are being harsher in showing federal government leadership in a more aggressive way than what the president proposed last night.

With his fiscal proposals he hopes to bring the U.S. federal deficit as a share of GDP down to 2.7 per cent by 1997, from about 5.2 per cent or 5.3 per cent, which will be about half what it is now. With the fiscal structure already in place in Canada our deficit by 1997 will be considerably lower as a proportion of GDP than the American deficit.

It is important to note that the improvement to the Canadian deficit will come through a focus on spending restraint. In fact in both the February 1992 budget and the December statement we were able to introduce tax cuts for Canadians, not tax increases.

The president has proposed higher taxes for wealthier citizens. The Canadian income tax system is already considerably more progressive than the American system and in a real sense the U.S. proposals bring it more into line with ours.

In the U.S., as we all know, there is considerable focus on health care reform. We in Canada recognize that we too must control the costs of the health care system while we maintain the standard of excellence in providing health care. However we do not face the same degree of difficulty as the United States does.

When I met Secretary of the Treasury Bentsen he indicated to me that health costs were extracting about 13 per cent to 14 per cent of GDP at the present time. In Canada our health costs extract something around 9 per cent or less. He indicated to me that if nothing was done by the end of the century health care costs would be extracting close to 20 per cent of the American GDP. They clearly have to do something to bring about cost containment.

As a proportion of the GDP the U.S. faces a formidable task, but it also recognizes that in the course of all this 35 million to 40 million Americans have no health coverage at all. In Canada we do have a universal system and we want to keep it that way.

• (1050)

We will be working together with the provinces to try to identify the cost containment measures in an effort to deliver the best medical care in the most efficient and effective way possible. The ministers of health and the ministers of finance, federally and provincially, had a very productive meeting in that regard. We will be working together in a co-operative fashion with the health care sector because it too has some very important views and some very important recommendations to make in this regard.

In conclusion, we welcome the realistic economic plan set out by the president. In many respects it moves the American economy in the direction the government has been moving the Canadian economy. We have had, as I indicated at the outset of my remarks, some pretty clear indicators the plan is working. We are coming out of a very stubborn recession. It is clearly not over in some parts of the world, but we are moving ahead.

We hope the economic plan which Mr. Clinton put forward last night will sustain the trend toward economic growth, economic activity and job creation in the United States. That will make the North American economy very strong.

We firmly believe that as their economy grows, so will Canada's because we have the fundamentals right. We have made the tough and difficult choices. We have put in place the structural reforms which were necessary: tax reform, liberalized trade, a better tax system, investments in people through improved skills upgrading and retraining, more investment in research and development. It is showing up in our ability to reduce the labour input costs, the unit labour costs and in our ability to become more productive and more competitive.

There are encouraging signs. However we have a deficit and a debt that clouds the future and we must deal with it. That is why we are dealing with it here. I urge and I appeal to my colleagues across the way: Canadians do not want us to ignore this situation, they want us to deal with it and I ask for their support.

Mr. Maurizio Bevilacqua (York North): Madam Speaker, I rise today to address a matter which is of great importance to millions of Canadians. The changes to the Unemployment Insurance Act contained in Bill C-113 will have serious consequences for many Canadians. It is very important that we discuss these changes in the House.

If Bill C-113 becomes law, people who leave their jobs without government-defined just cause or who are fired for misconduct will not qualify for unemployment insurance benefits. This change is very significant. What it says to any Canadian in a difficult or unfair work position is be careful, because if you quit or get fired, you are going to have to prove you deserve UI.

Bill C-113 tells Canadians in these situations that you are guilty until proven innocent. With this bill the burden of proof is transferred to the UI claimant, who is often a person in an extremely vulnerable position. This is unfair and it is the main reason why Bill C-105, Bill C-113's unloved predecessor, generated so much hatred.

Bill C-113 is the government's attempt to blunt that hatred. Under attack from every corner, including its own caucus, faced with daily embarrassments in the House and the minister's clumsy defence of the bill, the government had no choice but to retreat sheepishly in the hope of returning to fight another day.

Now we have Bill C-113, nothing more than Bill C-105 in sheepish clothing. It is a PR exercise. In the marketing of Bill C-113 minor changes are presented as major concessions. However the minister of employment made it clear that there is no question of compromising on the substance of Bill C-105, which is that voluntary quitters must be punished.

Bill C-113 attempts to make some positive changes. It attempts to make more clear the question of people who accept early retirement packages. It expands the definition of just cause and it attempts to be more sensitive toward sexual harassment.

These are only corrections of errors made in the badly designed Bill C-105. There is nothing in the bill that corrects the arbitrary nature of the proposed changes. Indeed, the minister almost seems to be proud of the bill's arbitrary, merciless quality.

It is no secret that the minister of employment has little sympathy for the unemployed. His crude description of voluntary quitters as freeloaders who take off to Florida or the ski slopes reveals his generalized contempt. Bill C-113 reveals the government's approach to Canada's unemployment crisis. It focuses on voluntary quitters but ignores the 1.6 million people in this country who cannot find work.

We were given an indication of the government's attitude toward this issue two weeks ago when a number of government members addressed an opposition day on Bill C-105. Most of the attacks on the motion were fairly standard Tory rhetoric, rambling, unfocused, sometimes making irrelevant observations.

However, one speech stood out. It was the one made by the Minister of State for Employment and Immigration. I am glad she felt this issue is serious enough to warrant a coherent, though misleading, response.

The minister's speech seems to be a fairly accurate summary of the government's position in the debate of these changes. That position amounts to a very simplistic rhetorical question: Is it fair for those who pay UI premiums to support people who decide to leave their job on a whim in order to take a little vacation? The answer to this frivolous query is a resounding, of course it is not fair. No one is arguing this.

For the record, I would like to say that I think it is wrong for someone to quit a job on a whim in order to take a few months of holiday at the expense of the unemployment insurance program. For the record, however, I am pleased to say that I have never met a person who has done this. Of the unemployed people I have met, not one is happy about his or her position. Each and every one of them wants a job immediately.

In reality, the unemployed are desperate for work. Despite the discouragement and despair of 1.6 million unemployed Canadians and 2.2 million Canadians who are on welfare, this government has chosen not to address seriously the problems of the unemployed. Instead the Conservative government perseveres with the despicable fiction that our worst problem as a society is the army of freeloaders cashing their UI cheques in Florida and Jasper.

When the minister of employment and his colleagues in government are not leading a smear campaign against certain Canadians who leave their jobs, they are trying to assure us that the law will protect all those who leave their jobs with good reason.

During the debate I mentioned earlier, the Minister of State for Employment and Immigration said:

> These changes will affect only those who voluntarily leave their jobs without just cause or who are fired for misconduct.

Wrong. The changes may be aimed at people who quit their jobs without reason or who are fired with reason. In reality, they will affect many others. The minister would have to be incredibly naive to think otherwise. Later in her speech, the minister referred to the special protections built into the guidelines for field officers as they relate to the question of sexual harassment.

> In cases where all things are considered equal, the benefit of the doubt will be given to the claimant and thus tip the scale in his or her favour.

• (1100)

The minister puts a great deal of faith in the idea that the benefit of the doubt will be given to such women when they apply for unemployment insurance. I have to ask her however, what does benefit of the doubt mean? Does it mean that every woman who makes a claim and gives sexual harassment as her reason for quitting will get benefits?

As soon as you answer no, and reason dictates that you do so, you allow for errors. You admit that some women who are harassed but cannot prove it will not get benefits. You accept as a given that some deserving women are going to fall through the cracks. That is unacceptable to the Liberal Party. We in the Liberal Party say that these changes are too inflexible, too unyielding. They stack the deck against the most vulnerable among us and victimize the innocent.

The government believes that the letter and the spirit of the legislation will protect the innocent. We on this side of the House know that in the real world there are delays. We know that decisions are sometimes made in error. We know that people fall through the cracks.

It is clear from this legislation and the government's anti-quitter rhetoric that the Conservatives are out of touch with the reality of the work place. Look at the demonstration in Montreal a few weeks ago. Forty thousand people filled the streets in minus 25 degree temperatures to protest against the government's neglect of the unemployed.

The people in Montreal were shouting *On veut travailler*. We want work. They were not protesting for more UI. They were asking for jobs from a government that has abandoned them.

Those were not lazy, freeloading people. They were not sitting home watching videos or skiing in the Laurentians. They were demonstrating against an unfair government that does not have a plan to help them get back to work.

We were shown the real world that day at the demonstration, a world of frustration, anger and hopelessness. The government's response has been scornful and insulting. The government called the demonstrators separatists. It threatened to create a UI police squad and a UI snitch hotline. Its behaviour throughout these past few months has resulted in a tragic comedy. For too long this government has ignored the real world.

On December 2, the finance minister said something which I found deeply ironic, and I would like to repeat it. In his economic statement, the minister said: "There are those who would follow policies based on the world as they would like it to be, not as it exists". I found that ironic because the minister was putting down the first group, those who would follow policies based on the world as they would like it to be when he and his government are so obviously members of that group.

Think of it in the context of the present debate. Think of the minister and his civil servants who designed these changes and you will see how removed they are from the real world. They sit in their offices in L'Esplanade Laurier, the closest thing to ivory towers in Ottawa. They develop these policies in safe, clean, air-conditioned offices, the ideal work place in many ways.

It is understandable that these people might not be completely aware of the larger reality, removed as they are from small factories, restaurants, offices and work sites where the majority of Canadians work. That is why the minister of employment can say with complete conviction that the changes in Bill C-113 will not inconvenience anyone other than the quitters. He does not know any better.

Sadly in the world as it exists, to use the expression of the Minister of Finance, reality is quite different. Already employers are starting to use the proposed changes to the UI act to pressure their employees into more restrictive work situations. *Le Devoir* recently gave the example of *Litho Montérégie*, a small printing company in Longueuil. Here the employer is imposing a 30 per cent salary cut on the older, better paid half of the work force. The people targeted by this move are highly skilled and were instrumental in computerising the business, one of the first to do so in the industry. They were well paid as a result. The president of the company has said: "I used to be at the mercy of their skills. Now it is a different situation".

Maybe people in such situations should quit and apply for UI. It is easy to say, but sometimes it is a difficult decision, especially if you are not certain you will qualify for benefits. Think about the typical person who quits his or her job or is fired. To begin with, he is under a lot of stress and probably does not have a very positive outlook when he goes to the CEC to apply for unemployment insurance. If he is required to justify his situation before a decision is made about his eligibility that adds more pressure.

What if he is not as articulate as he could be? Maybe he has difficulty convincing the employment officer that his claim is justified. Maybe his former manager is more persuasive. Maybe he does not get the benefits even though he deserves them.

What is there in Bill C-113 to guarantee that such a person will be treated fairly? What protection does such a person have against the perils of the world as it is? The fact is this bill does not and cannot protect everybody, and that is why it should be withdrawn.

Perhaps the government should listen to the Quebec Bar Association and the *Conseil du Patronat* which have both expressed serious reservations about the changes proposed. Perhaps the government should pay attention to the human rights commissioner, Max Yalden and Senator Solange Chaput-Rolland who have both expressed concern about the effects of this bill.

Perhaps the government should have listened to suggestions made by members of its Quebec caucus instead of dismissing them so rudely. Those few brave men who dared to speak up did so on behalf of their constituents. They should have been shown some respect. Instead, the minister rejected their ideas out of hand.

Those Conservative members who spoke out against Bill C-105 understand that the changes will create a great deal of hardship for many Canadians. We on this side of the House know that too. We know that the problem is not laziness; it is joblessness. We know the problem is not layabouts; it is layoffs. We know the problem is not the indolence of our workers; it is the insolence of our ministers.

As we saw during the demonstration in Montreal, Canadians are angry at this government and will not put up with its neglect and misinformation any longer.

While we are on the subject of misinformation I want to be perfectly clear on one point. Job quitters are not the problem this government makes them out to be.

A 1991 Economic Council of Canada report found that people who quit their jobs are not a drain on the UI fund. Half of all job quitters went to another job immediately and another 43 per cent found new jobs within 10 weeks. The largest burden the UI fund must deal with are those hundreds of thousands of Canadians who have been laid off from the manufacturing sector. These people have been neglected by the government during this recession and are still waiting for the promised workers' readjustment programs.

The government claims it must penalize job quitters in order to control the deficit in the UI fund. It says that with the UI fund deficit at $4.9 billion in 1992 it cannot afford to support people who give up work. While it is true that the UI deficit is a very serious problem, I would suggest that the government is not doing all it can to control it. It has chosen an ineffective way to do so and could have chosen a better, more productive way. The government is not doing all it can to control the deficit and the UI fund. I say this because while the government moves against people who quit without just cause and people who are fired for misconduct, it ignores those who abuse the UI program through misuse or outright fraud.

• (1110)

There are many people who claim UI while earning more than they are allowed in under-the-table jobs. There are many who collect UI while studying full-time, and many who defraud the system with bogus claims. Those people, who we might refer to as cheaters cost Canadian taxpayers more than $200 million a year. Is it not strange that a government which claims to want to stop those who abuse the UI system has decided to focus on job quitters rather than cheaters? I would think the government would want to stop this type of abuse before any other.

I said earlier that by going after voluntary leavers the government has chosen an ineffective way to control the deficit and the UI fund. In order to illustrate what I mean by this I would like to briefly outline the present state of the UI fund.

In 1990 the government stopped contributing to the unemployment insurance fund from general revenues. The fund became entirely financed by premiums paid by employers and employees. Since then the cost of the UI program has increased by $7 billion.

To meet these rising costs the UI premiums paid by employers and employees have been increased twice. In July 1991 they were increased by 24 per cent and then by 7.1 per cent in January 1992. Unfortunately these increases in revenue have not kept pace with the demands placed on the UI fund. Chronic unemployment has kept the UI fund in a deficit. The cumulative deficit now stands at $4.9 billion.

Desperate to control the deficit in the UI fund, the government decided it had only two choices: raise premiums again or cut benefits. They chose the latter. Unfortunately, the cuts are expected to save only $2.5 billion over two years. The effect they will have on the UI fund deficit is negligible. By the end of 1993 the deficit will rise to an astounding $7.6 billion despite the cuts.

That is why I say the government has chosen an ineffective way to fight the UI fund deficit. Earlier I also said the government could have chosen a better, more effective way to control its deficit. I suggest the best way to control the cost of the unemployment insurance program is to put unemployed Canadians back to work.

Consider that every percentage point of unemployment is estimated to cost $2 billion. That means that if the government decided to help the unemployed by bringing the rate down to 8 per cent, we would cut $6 billion from the deficit in the UI fund.

The government could act but it refuses to do so. The government is still waiting, trying to ride it out and hoping that the economy will eventually turn around and take care of things naturally, just like it has always done. That is wishful thinking.

The government is deluding itself if it thinks the business cycle is going to save our economy from eight years of Tory neglect. The unemployment we faced in the past was cyclical. It resulted from a slowdown in the economy as factories laid off workers in response to a drop in demand. After a time, demand would rise again and the workers would return to jobs like the ones they had left.

While cyclical unemployment was a difficult problem, the unemployment challenge we now face is much more daunting. Instead of cyclical unemployment we are now faced with structural unemployment. Instead of joblessness caused by temporary slow downs we have joblessness caused by permanent shutdowns. Our economy is in transition. Factories are shutting down forever. Old established firms like General Motors and IBM regularly announce huge layoffs. Whole sectors of the economy are downsizing and moving toward smaller workforces. None of the old truths apply any more.

According to the OECD, the Conference Board of Canada, the UN Department of Economic Development and other institutions, Canada is going to continue to be plagued by high unemployment well into the next year and probably even longer, despite strong economic growth. We are entering the jobless recovery. In the past two years 460,000 people lost their jobs and analysts believe many of these jobs will never reappear.

These people and other unemployed Canadians have the right to look to their government for help and direction. They have the right to expect their government to live up to such commitment as jobs, jobs, jobs, adjustment programs for displaced workers and the development of a learning culture.

The government has not lived up to these commitments. For over eight years the Conservative government has ignored the unemployment problem and abandoned millions of Canadians to the mercy of the marketplace. The government put its faith in economic theory at the expense of everything else.

Instead of an activist government which cares deeply about people, Canadians have an unfeeling government which talks coldly about getting the fundamentals right. We have a government which frittered away great opportunity in good years and did nothing to help the needy in the leanest years since the Great Depression.

This government does not understand that while deficits are very costly, human misery also carries a very high price tag. All of society suffers in a period of prolonged high unemployment because unemployment represents lost production, lost wages and lost human potential.

One organization estimates our economy is presently operating at 9 per cent below its potential, which means we are losing $60 billion a year. Between 1991 and the year 2000 Canada is expected to lose about $400 billion. That is $400 billion in lost exports, lost tax revenue and lost wages.

Besides the financial cost, high unemployment has a huge social cost as more and more people are forced onto welfare or out of the system altogether. In metro Toronto, for example, officials are predicting that the number of people on welfare could climb to above 200,000 this year. That represents a disastrous 75 per cent increase since 1990. In the past year every province has seen dramatic increases in the number of people who must rely on welfare in order to survive. All of this human suffering is a result of the most painful recession in 50 years.

The situation is bad at present but will only get worse if the changes in Bill C-113 become law. If people who quit their jobs or are fired are barred from collecting unemployment insurance, as these measures propose, they will have to turn to welfare. Because of technicalities some people may not even be eligible for social assistance. That is another unfair element of this bill and another reason why the government should withdraw it.

Finally I would like to address the question of how these changes will affect young Canadians. I believe that young Canadians have much to fear from these measures. There are presently over 400,000 unemployed young people in this country. The youth unemployment rate is 17.2 per cent, compared to a national average of 11 per cent. While young people are generally disenfranchised in our society, they are over-represented in the unemployed population. People aged 15 to 24 make up only 29 per cent of the total population but they represent 38 per cent of the number of jobless Canadians. Many speak of a lost generation of young people condemned to a lifetime of dependence on unemployment insurance, broken up by stints in low paying, low skilled jobs. Many young Canadians in their mid-20s

have never even had a first job, and for those who have their introduction to the labour force is often a waste of their skills.

• (1120)

I read recently about a 23-year old-with an English degree who sells plastic dinosaurs and colouring books in a children's shop. She earns $7 an hour and is struggling to make ends meet. One of her former class-mates is slightly worse off. He is putting his education to use behind the deli counter in a supermarket.

These are the kinds of jobs reserved for the best and the brightest coming out of our universities. These are the kinds of jobs that the minister of employment is encouraging our youth to hold onto with this bill. Young people are caught in a vicious circle. They want to go to university to improve their employment prospects but in order to finance their education they are forced to find work.

An increasing number of young Canadians are finding it difficult to get a post-secondary education. Tuition fees have increased 58 per cent over the past 5 years. The price of books has more than kept pace with inflation and living expenses continue to rise. Many university students must alternate between work periods and school in order to get an education. The entry level jobs they find are often low paying, have little if any responsibility and are not very challenging. Often the only way for these young workers to advance themselves is by moving from job to job as they acquire experience.

Bill C-113 discourages that upward mobility and will have a dampening effect on youthful ambition. I, for one, do not think that is good for our society.

We need our young people to lead the way into the new economy. They must be encouraged to advance, not stand still. Canada will never be a leader in the global marketplace if it is a nation reliant on low paying, part-time jobs. We need highly skilled, highly paid jobs to lead the way to the 21st century.

In conclusion, I would like to summarize why I believe this is a bad bill. First, it is too arbitrary. Despite the pious promises of the minister of employment, his minister of state and other members of the government side this bill does not provide the necessary protection for workers. By its absolute black and white nature this bill puts the onus of proof on the person claiming UI benefits, withholding those benefits until the person's credibility has been established.

It has been said before that this reverses one of the oldest and most cherished principles of our democratic system, which is that a person is innocent until proven guilty.

I also believe that this is a bad bill because it will not accomplish what it is designed to do. The bill's savings of $2.5 billion will not make a dent in the UI fund deficit of $7.6 billion. If the government is serious about controlling its spending why does it not cancel or scale down its plan to spend $4.4 billion on a submarine-hunting helicopter fleet? If the government is serious about wanting to put its financial house in order why does it not go after the $16.1 billion that Canadian companies have hidden in tax havens in Barbados, Cyprus and elsewhere?

This government has no clear plan for controlling its spending, and now the most vulnerable Canadians are being forced to pay for its economic mismanagement. That, in a sense, is the greatest failing of this proposed legislation.

Bill C-113, like Bill C-105 before it, reveals this government's glaring lack of vision. In this time of economic hardship the government could have proposed measures to help the unemployed find work, help young people break into the job market, or help high school drop-outs and others get skills training.

Instead the government chose to tinker on the sidelines. If it believes it wants to overhaul the UI system, if it wants to come out with a new innovative UI reform package, then it should present a serious approach toward this issue. This bill is a hesitant half measure which does nothing to address Canada's unemployment crisis.

The government has a moral responsibility to show Canadians how it intends to prepare our nation for the future. With this bill it has abdicated that responsibility. The people of Canada are in desperate need of help in order to acquire the skills needed for the new global economy.

In light of this urgent need for action, I find it distressing that the government would present such an inert piece of legislation. We can no longer afford such an action. Canadians need to believe in the future again in order to begin the rebuilding process.

I urge the House to reject the bill.

I move:

That the motion be amended by deleting all of the words after the word "That" and by substituting the following therefor:

Bill C-113, an act to provide for government expenditure restraint, be not now read a second time, but that it be read a second time this day six months hence.

Mr. Cid Samson (Timmins—Chapleau): Madam Speaker, I rise today to speak in opposition to Bill C-113, which is an omnibus bill that covers many areas as well as unemployment insurance.

Bill C-113 addresses the Crow rate, grain subsidies, wage freezes to civil servants as well as members of Parliament and the Governor General, et cetera. We will have other speakers later in the debate who will address those particular issues. However I would particularly like to direct my attention to the section of this omnibus bill that concerns unemployment insurance.

Bill C-105, the previous bill, had many faults. The Minister of Employment and Immigration said in the scrum area the other day that: "If anybody feels that I have backtracked on this they do not know the meaning of the word".

I would just like to point out to the minister that we know the meaning of the word and the minister did backtrack simply because he had to go back and redraft this bill to change certain parts that were not in the previous bill. Those came to light as a result of the pressure placed on him and his department by the opposition. If we had not brought our concerns forward he would not have had to backtrack and redraft the bill.

The question that demands to be answered is: What consultations took place prior to and after Bill C-105? Where did the minister get the information that was necessary to make these changes?

There were not any consultations for Bill C-105. It was thought to be a bill that could be rammed through the House without too much opposition because the government felt that it had enough support out there from the right wing, that it could garner some votes from this move and that it was something that was very popular.

• (1130)

There is newspaper article after newspaper article that indicates exactly why the government has done this. They clearly show that there are 50 per cent of people on the right saying: "Yes, this is great, this is really good". Therefore the Conservative party thought: "Here is an opportunity to attract some votes in the west. We will get some of that Reform vote back. This is the kind of stuff they like. They have a feeling that workers are a little less than human, that workers are there to be exploited". This attack on the unemployed is simply that.

We asked the government about statistics. We asked it on what basis it is putting this legislation forward, what it is using as its statistics. We called the minister's department to get these statistics and were told that it was having some great difficulty in getting the numbers we asked for. I asked the minister in the House to table the statistics he was using to base this change on, which would clearly show that there were thousands upon thousands upon thousands of Canadians quitting their jobs for absolutely no reason whatsoever other than that they wanted to become couch potatoes.

The minister said: "You are going to have to get those on the Order Paper. The member knows very well that is the proper procedure". If the minister had been totally honest and wanted to disprove what I was saying then he simply had to table the documents, but he did not have them. They do not exist. The biggest problem with this whole legislation is that the decision to attack the unemployed was based simply and clearly on political gain. It has nothing to do with deficit reduction or spending control.

I have a newspaper article from *The Citizen* outlining information it received from Statistics Canada. It says:

> Statistics Canada figures show they are a relatively small part of total unemployment insurance claims that are currently delayed or denied.

The statistics show that in September 1992 16,710 people quit their jobs, 2,740 people were fired for misconduct, and 132,800 claims were delayed or denied.

According to Statistics Canada, the article continues:

> The major factors for denying a UI claim are failure to prove a person is unemployed, not being available for or capable of work and having incomplete documentation.

That does not tell us that there are thousands of people who are quitting their jobs just because they feel like it, but tells us that people are quitting their jobs and in most cases are not being given benefits. It tells us that there is no real problem in terms of people quitting jobs.

We must look at what the government is trying to do. It is trying to create a perception that if we can convince these people to stop quitting their jobs then the UI fund will rectify itself and return to the black. It is saying that people who are working should not quit their jobs simply because they want to sit at home and then expect fellow Canadians to support them for absolutely no reason whatsoever.

Under the conditions in which we live today and under the economic failure of this government people who have a job are darned lucky and do not want to quit their jobs. They want to work.

I can bring hundreds of names, if not thousands, of people who are very willing to work if they only had a job. The government should not tell me that people are quitting simply because they want to quit. It is not true. It does not happen. The government does not have the statistics to prove that is true. They do not exist.

Let us look at the situation as it stands in Canada and the changes to the UI. I would like to refer to another article that I have from the *Hamilton Spectator* headlined "Cutting unemployment payout is mindless and moronic". The article read:

> We are told that by cutting the average weekly payout of UI, we will save a couple of billion dollars. This, of course, will go to reduce our deficit. This is the same deficit that went from $27 to $34 billion in the past year under this government. How can they be out $7 billion and keep their jobs let alone their self-respect?

These are not my words. They are from the *Hamilton Spectator*. That is the perception in Canada today.

This government is trying to blame all its economic failures on the unemployed. It is trying to create the myth that the unemployed are creating problem and that it is their fault they are unemployed. It is saying: "They are not victims of this economic policy. They want to be unemployed. They love suffering".

I do not understand how the government can introduce this kind of legislation and keep a straight face. How can it expect Canadians to believe that what it is doing is for the benefit of all Canadians?

The government did not anticipate that there would be such an outcry from Canadians from coast to coast to coast. It has seen the beginning of that in Montreal. It has seen the beginning of that with the people I invited here yesterday, clients of *Mouvement Action-Chômage*. We have put real faces on the problems. These are people who are directly affected. These are women who face sexual harassment in the work place. These are spouses who want to move with their families, to be with their families when the other breadwinners move as a result of their jobs.

We have seen the real faces of people who have come here and said: "I have to stay home to care for my child but I have been barred from doing that". We have seen and have heard from domestic employees who are not allowed to use the phone, to leave the premises without the assistance of their employer or to write letters unless they are screened. Yet these people are supposed to have their rights protected when they claim UI if they ever get a chance to apply for it.

One of the biggest problems with this whole legislation is sexual harassment. I do not really like to talk about about sexual harassment but I must. We must consider what a person who has been sexually harassed on the job has to go through. We have seen in the new improved formula, Bill C-113, that the government is attempting to say that it has broadened the range of just cause for quitting. There are certainly acceptable circumstances under which they can quit their jobs, but in the case of sexual harassment the burden of proof belongs to the claimant. The person must go before an agent who has had his or her wages frozen for three years, who has been legislated back to work, who has worked under conditions that are a little less than good and who has sometimes worked extended hours without remunera

tion. They get time off instead. These agents are sitting there and listening to people who have come for assistance and they have to make decisions. As well, these agents are restricted in what they can do. They cannot cross-examine. They are limited as to how they can approach these people and try to help people.

• (1140)

The sexually harassed person has to appear before such an agent, bear his or her soul and explain in detail what happened. The agent under the new and improved legislation will now do his job behind closed doors. That was not in the old legislation. This is not backtracking, but it is in the new bill. That is fine and is very much appreciated.

The problem is that the agent cannot take the word of the claimant because it is not good enough. Now the agent has to go to the employer. The employer is the one who has been sexually harassing the claimant. The agent will go to the employer and seek to determine whether or not the person was sexually harassed. What employer in his or her right mind will say: "Oh, yes, I did it. I sexually harassed this person. Give her the benefits"? I do not know too many employers who will do that.

Mr. Heap: That will be the day.

Mr. Samson: Of course the employer is going to deny it. Where is the benefit of the doubt? The agent has the claimant's word and the employer's word. Let us bring in a witness. Keep in mind that all related parties will be excluded from the interview with the agent. During the interview the agent will be alone with one person.

If I were a claimant I would certainly want to be present when somebody is saying something about me. I have that right. That information will not only be available to me. It will also be available to the employer and to the witnesses in writing. Transcripts will be available.

Then the agent brings in a witness who works for the employer and was there at the time the harassment took place. Do we think for one minute, given the conditions we work under today, that witness will put his or her job in jeopardy by siding with the claimant and saying: "Yes, the employer sexually harassed the claimant"?

Mr. Heap: Fat chance.

Mr. Samson: Fat chance for sure. They are going to take the side of the employers to protect their own jobs because jobs are hard to get. There are no jobs. Of course they are going to say: "I didn't see anything. Oh, gosh, I don't remember that. No, I don't think it was that bad". Or, they may even say: "Hey, listen, this person has been after the boss for I don't know how long. It is not his fault; it is her fault".

This is a lop-sided, sick piece of legislation. The claimant is the one who is going to lose. The hands of the agent are tied. When we look at the document it clearly says that the agent at no time will cross-examine to determine who is right or who is wrong.

If agents are to become police persons, lawyers and judges, how can they arrive at an answer if they cannot do all these things: do the investigation and do the cross-examination? How will they establish who is right and who is wrong? How will they establish if the claimant has a right to benefits or not? How will they establish benefit of the doubt for the claimant? They cannot. It is impossible.

There is something drastically wrong with this legislation. It implies that persons who are sexually harassed must tolerate the situation as long as they can. They must try to exhaust all other avenues, including asking for a transfer. That is a good one. While they are asking for a transfer because they are being sexually harassed, the spouse—he or she—may be in trouble. Unless they exhaust all other alternative measures to move with the other spouse, they have to go through this whole process too if both spouses are working. They have to prove that they tried to do everything they could in order for them not to move. They have to try to find alternative transportation measures. They have to try to find all kinds of things. The whole process is sick. It really is.

The government is saying that the unemployed have to realize they have to be part of the deficit reduction to get the economy going again. The answer is get people to work. Put people to work.

The funds for training our unemployed people come out of the fund. A lot of money comes out of the fund. Administration costs come entirely out of the fund. Training comes out of the fund. Everything pertaining to the unemployed comes out of the fund. The government withdrew funding to the UI with the introduction of Bill C-21 in 1990. The government does not contribute to the UI fund any more but it still wants to regulate the fund and it still wants to control it.

Mr. Heap: They also cut out its own training programs.

Mr. Samson: I would like to go on for about another hour frankly, because I have tons of material that I can go through to speak against this bill. It is a Draconian bill.

I would like to conclude by saying that the attack on the unemployed which is created as a result of the economic policies of this government is not the answer to the problems of the unemployed.

The minister started out by arguing that we have to get rid of these frauds. Nobody in my office who commits fraud gets support from me, none. If they cheated the system by working while they collected unemployment insurance and there was a penalty to pay, fine, let us address that. If we are talking about penalizing the unemployed people for quitting their jobs, I am sorry. Let us make the penalty fit the crime. Let us not put people in jail for the rest of their lives for stealing a chocolate bar.

There is nothing wrong with the penalty that exists today. People are penalized now for quitting their jobs up to 14 weeks, the two-week waiting period, plus their benefits are cut by 50 per cent. That is penalty enough. That is deterrent enough. I feel this bill is Draconian. It goes far over to the right, and it should be defeated.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I have one question for my hon. friend from Timmins who has made some very interesting policy pronouncements from time to time.

I want to ask him one question. Does he think it is right that an individual who quits his or her job for no good reason should collect insurance, which is designed for people, who through no fault of their own, need it to carry them over a period of time until they find another job?

Does he think the people, the union workers who are paying these unemployment insurance fees and stick with their jobs, should support those who quit voluntarily to sit at home and not work? Does he support that? I want a yes or no answer on that.

Does he also support the premise that the person who sets his car on fire or sets his house on fire should collect insurance on it?

An hon. member: It is arson.

Mr. McDermid: It is the same principle.

• (1150)

Mr. Samson: Madam Speaker, I would like to thank the minister for that question. When this minister starts answering our questions with a yes or no, I will answer his with a yes or no.

In the meantime I am going to tell him this. We must not lose sight of the fact that this is unemployment insurance and it is for people who are unemployed. Yes, people are unemployed. A penalty now exists for people who quit their jobs and that penalty is a two-week waiting period, a 7 to 12 week penalty period, plus a reduction of 50 per cent in their benefits.

At the end of the 14-week period they must prove to the agent they are ready, willing and actively seeking employment. If they fail to do that they get zero. I challenge the minister to tell me that it is not penalty enough to deter people from quitting their jobs without just cause.

People who set their houses on fire, who burn their vehicles, are committing arson, and there is a penalty under the law. Do they get life imprisonment? No. Do they have to pay a fine? Do they lose their residence? Do they lose their insurance? Yes they do. That is penalty enough.

However, it is not good enough for the unemployed, not according to this minister. The unemployed? No, no. It has to be worse than that. We have to cut them off. We have to make them starve. We have to send them on to the welfare rolls of the provinces and in Quebec they do not even have welfare. They cannot apply for it. They have to get a loan that has to be repaid in Quebec. They do not get welfare. That is what you are sentencing these people to with this legislation.

There is no way that anyone is going to convince me that this is a fair penalty for people who leave their jobs because they may have a reason to leave but they cannot prove it or they cannot justify it to the agent, an agent who is under stress as it is because in this same bill their wages are being frozen for two years. Their working conditions are being affected.

According to this new and improved document people have just cause to leave their jobs for significant modifications in terms and conditions respecting wages and salaries. That is one of the conditions for leaving employment with just cause. Those agents can leave their jobs with just cause according to this because this government froze their wages. Now you tell me where the justification is.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, the member is right in deploring the government action on UI, there are no two ways about it. In fact the government has recognized there are a lot of deficiencies in the UI bill. It is my hope that before proceeding with the bill it will look at the whole issue of fairness.

I want to ask my colleague from the New Democratic Party if he subscribes to the NDP government in Ontario because it has introduced a freeze when it comes also to employees at the provincial level. We on this side of the House deplore the action of any government that puts a freeze on Public Service wages, and limits Public Service wages to rates below that of inflation. I want to ask him if he deplores the action of the NDP government in Ontario when it also put a freeze on Public Service wages in Ontario.

Mr. Samson: Madam Speaker, I appreciate the question coming from my hon. friend from the Liberal Party. No one likes to see the wages of anyone being frozen. Nobody likes to see where a person's quality of life is in jeopardy.

I would like to remind the member that if the federal government would transfer the funds owed to Ontario it would not have to take these kinds of tactics.

The minister again is raising his voice and saying that is not true but the numbers speak for themselves. Check the record. Check the books. Look at the cap on CAP. Look at the transfer payments as they affect Ontario. What do you expect provincial governments to do when they do not have the income?

One thing I would like to point out to my Liberal friend is during the speech of the Liberal critic it was very obvious to me that he did not say one word about the reduction of benefits from 60 per cent to 50 per cent. I wonder why. Would it have anything to do with the fact that maybe that is the part of the bill the Liberals do support? Would it have anything to do with the fact that in 1978 they reduced benefits by 6-2/3 per cent? I would like to know what the Liberal Party position is on the reduction of benefits. I would like to know from the Liberal Party what impact that is going to have on local economies when, in a city like Timmins where I come from, that 3 per cent represents $195,000 per month in reduction in spending power from the people who are unemployed.

Unemployment insurance was designed as a safety net to help boost the economy during a time of unemployment. It was designed to boost the economy.

Mr. McDermid: Help boost the economy?

Mr. Samson: Yes, boost the economy.

Mr. McDermid: Oh, come on.

Mr. Samson: Oh, come on. Yes, right, I know. Let us take all the money away and let us see what that does to the economy. Is that not a great idea? When I hear from the Liberals and they start asking me about our provincial government I look across the other way and I say: "Look, you get the transfer payments that are owed to Ontario and it will do what it has to do and will do it very well".

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization): Madam Speaker, I would like to put a question to my hon. friend. I must confess I am impressed with his efforts on this. He is very accurately reflecting the trade union movement and the CBC on this one, but he is not in touch with what the Canadian people are saying.

When the member talks about penalty he betrays that he does not understand what the issue is here. The issue is not one of penalty; it is one of eligibility. What the minister is saying and what he is reflecting in terms of public opinion in this country is that honest, hard-working Canadians do not think, especially at a time when employment is difficult, that people who simply decide not to work any more, those people without just cause, should be eligible to draw unemployment insurance. In the same way when talking about automobile insurance, you have to smash your car before you can claim the

insurance. You cannot just say: "It is my vested right. I paid into it, therefore I should draw it out".

My question for my hon. friend is: Does he know what insurance is?

Mr. Samson: Madam Speaker, it is a buffer during a time of need. If you lose your house, you collect on your insurance and that is why you pay it. You lose your job, you get insurance. If you leave your job because there are conditions you believe you cannot cope with, then you get insurance that you have paid into. It is plain and simple.

This government is trying to intimidate people into staying in conditions that are intolerable, that they cannot get out of any other way. Then they have to prove it. They have to disrobe themselves in front of all kinds of witnesses to prove their case. These guys are sick.

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Madam Speaker, I am very pleased to have the opportunity to participate in this debate on Bill C-113, the government expenditure restraint bill.

It has been interesting listening to the discussion about the bill. There has certainly been a lot of heat from the last two speakers but not a lot of light. I would like to have the opportunity of discussing some of the real elements involved in this bill.

As the Minister of Finance has already stated this morning, the major purpose of this bill of course is to bring government expenditures into line. It has to do some of the tough things. None of them are easy and in the best of all possible worlds we would not have to do these things but we have to. We are facing a financial situation in this country and we have to start at home. We all have to contribute to this exercise. Indeed, as members of Parliament and cabinet ministers we are contributing in that we are freezing our own salaries. There are many other measures throughout this bill and in all departments of government so that we can bring about those $8 billion of savings which will result from this bill over the next three years.

• (1200)

As the Minister of Finance has indicated there are some good signs developing in terms of the economy. Being from western Canada I know we can certainly see those developing in British Columbia.

That does not mean we do not have to continue to be persistent and consistent in getting our own expenditures under control. Whether it is within departments where we are reducing our operating expenses or whether it is in terms of grants that we give out and reducing those, we all have to recognize that we have to make these changes.

However, I too wanted to talk about one particular aspect of this bill that has caused a lot of discussion and generated a lot of debate over the last couple of weeks. That has to do with the provisions relating to the changes in unemployment insurance.

I thought this morning listening to the debate that there really are some very different views about what the unemployment insurance fund is all about. Some people seem to think it is there to boost the economy. That was never my understanding of what it was brought in for. Others seem to think it is an entitlement. No matter what happens to you, you paid into it and you get a chance to get your money out.

I say with respect to my hon. colleagues that was never the intention of the unemployment insurance fund as it was developed nor indeed is it the intention in most cases for insurance. Generally speaking, for insurance you pay a premium and then if basically through no fault of your own circumstances should occur and a catastrophe happens with respect to your house or your car or your life you will get whatever the arrangements are for the payment.

The same thing is true for unemployment insurance. You pay premiums and if circumstances should come about through no fault of your own that you lose your job, then indeed you have the opportunity of being able to collect under the terms and conditions of the Unemployment Insurance Act. It is not something that is automatic and never has been.

I would like to turn now to another part of this discussion. It deals with the aspect of sexual harassment. Over the past couple of weeks there has been a great deal said in the media and in this House that these provisions we are bringing in with respect to unemployment insurance will somehow have an adverse impact on

women because they would deny the opportunity to a woman who was the victim of sexual harassment from being able to leave her job and collect unemployment insurance.

For the record, that is just not the case. That is not the case now and it will not be the case in the future. Indeed, let me remind my colleagues that in October 1989—and I know many of the members were here in the House at that time—we had the debate about unemployment insurance and amendments were made to the act to provide for specific definitions of just cause, reasons that would continue to make someone eligible for unemployment insurance. At that time a very specific provision was added to the act to be very clear that one of the grounds for just cause would be sexual or other harassment. That was a very important amendment.

I looked up the voting record on that and it is interesting. I was present and certainly voted for it and indeed my colleagues from the NDP voted for it. However, quite surprisingly, the members of the Official Opposition, the Liberals, voted against it. I never have been able to quite understand why that occurred.

That has been the case. Sexual harassment has been and continues to be a just cause for an individual to leave his or her job and be able to collect unemployment insurance. Indeed, of course this bill continues in that effect.

The debate around sexual harassment has been interesting as well. I think on balance it may be a very productive debate in that it is bringing to the public's attention just the fact that this issue exists. It has long been my view that one of the difficulties we face is that for many—and I am speaking primarily of women, although not exclusively because men too can be the victims of sexual harassment in certain circumstances—it is obviously a very traumatic and terrible thing. Often women have not wanted to talk about it and have just said: " I don't want anything to do with it, I just want to get out of this situation and get on with my life".

I sympathize with that and truly understand that, but it only perpetuates the problem because it does not bring the issue out into the open. It does not enable the individual employer or society at large to be able to do anything about it.

If we are really going to come to grips with the issue of sexual harassment—and we are talking particularly of the workplace—we have to make it transparent. We have to ask those women or those victims to speak out against it. That is the issue we talk about generally with regard to violence against women. It will not stop until we bring it out into the open. That is when we can really start to take those measures.

Sexual harassment of course is against the law. The Canadian Human Rights Commission very clearly makes that point. In ideal circumstances in many cases employers themselves have very specific guidelines and procedures through which an employee can go to get redress or hopefully be able to deal with the problem internally. That is obviously what we all encourage. All employers should have those kinds of guidelines with an independent person within the work place to whom victims can go, even if they are just disturbed by comments rather than actions. They can then bring the people together and make sure everyone understands the situation. Employers should have the appropriate training and orientation programs within the work place so people understand how language or actions can poison the work place and be offensive to people.

There are some very delicate issues around that. Sometimes what one person may perceive as harassment another does not. You will not really deal with that unless you get people talking around the table.

It was extremely interesting in my previous department when we got people around the table. Some people said: "I did not know doing that would be offensive to anyone. I am certainly prepared to change my ways." Obviously that is the ideal way to deal with these situations but it is not always possible. Some small companies do not have those procedures.

I want to make it very clear that no one, woman or man, should have to continue in employment as a victim of sexual harassment. There may be people watching today or reading this transcript who are in that situation. If there is no way within their work place to resolve the situation, they are absolutely and legitimately within

their rights to leave that situation and be able to apply for unemployment insurance.

The question then becomes: What happens in a concern about how these issues might be dealt with? How might a woman feel going to the unemployment insurance office? One of the real improvements that is going to come about as a result of this new legislative package is that there will be—and indeed it is going on right now—an increased emphasis on the orientation and training of all the officers who deal with these issues. This legislation contains some very legislated procedures that will protect the privacy of an individual who is laying these complaints.

My own department, Status of Women Canada, has been brought in to these discussions. We have been working very closely with the Minister of Employment and Immigration and the Minister of Labour to ensure there are appropriate procedures. We have training packages which are now under way and I believe 75 per cent of the officers who deal with these cases are women. We make sure they have an understanding of the circumstances of sexual harassment, how you might deal with victims and some of the problems victims might face so they can deal with it in a very sensitive manner. I think there has been a lot of support and co-operation around that.

• (1210)

The guidelines make it very clear that the benefit of the doubt is to be given to the claimant. This is a very important point and I really do not think it has come out clearly enough at this point. In the circumstances of sexual harassment we are obviously talking about the victim. It is very clear. They are obviously not judges, but where there is conflicting information the benefit of the doubt is to be given to the claimant. I think that should really give some comfort to those who might be concerned about applying for unemployment insurance. They will be treated in a sensitive manner.

If for some reason a claim is not accepted at that first level it goes to the board of referees. As we see now in the legislation there are very specific provisions whereby the employer and the employee do not have to be in the same room. They can be separated. The hearings will be held without media or publicity which I think is very important in terms of the comfort level for victims. There is a very important strengthening of provisions that makes sense and will enable those, primarily women, to come forward in those circumstances.

The guidelines will also counsel the unemployment insurance agents to listen to claimants in a neutral and objective manner and recognize that situations such as sexual harassment may induce an employee to act out of panic or stress and there will be a lot of stress around them. They are instructed that in cases of sexual harassment the claimants will have the choice of talking to an officer of the same gender. Obviously, they may have a higher comfort level in doing that. A closed office is to be available for that interview to ensure the privacy of the information.

Again, just to re-emphasize a point, the guidelines are very clear in stating that UI agents are not in the business of determining who is right or wrong, innocent or guilty and the benefit of the doubt must be given to the claimant. In cases with conflicting information, the review process is to find in favour of the claimant. That certainly goes a long way toward dealing with these issues.

In addition to the issue of sexual harassment there are other just causes outlined in this legislation that are also very important. The obligation to care for a child was already in the old legislation but we have added as well, "or for a member of the immediate family". We are certainly aware of situations where a spouse or someone does have to leave their employment to provide that kind of care and support, and where it obviously can be considered as a just cause.

There is also the issue of antagonistic relations between an employee and a supervisor for which the employee is not primarily responsible. That is an issue of concern that has been raised by caucus colleagues. It also will give comfort to employees that in those situations they could be considered to have just cause. This list that has been enumerated in the legislation provides that in addition to the enumerated reasons for just cause, other reasonable circumstances as prescribed by the Governor in Council can be added. This really does deal with the question of fairness.

I have heard from my own constituents, as I am sure many colleagues have as well, that people are really surprised. They say: "Good heavens, you mean up until now someone could just leave their job for no reason, just because they wanted to and after a period of time collect unemployment insurance". Most people think that is totally unacceptable. Ideally no one would do that and hopefully no one will. Then we will have the best of all worlds.

Where they do in those particular circumstances, I do not see how any reasonable member of this House or of the public could say: "Oh well, it does not matter, they can just go and get UI". It was not the intention of UI nor do I think it is fair to the contributors, the employees, the employers and the general public who are involved in this program. UI is there for a very important specific purpose. It has been around for many, many years and will continue for many more years.

This bill with these changes can lead us forward by recognizing such issues as sexual harassment as well as verbal or physical harassment. There is a good definition that has been set out for harassment. Those persons who may be victims of harassment do not have to continue in those circumstances. They will be dealt with fairly at all stages of the process.

They will continue to be eligible for unemployment insurance and hopefully be able to get on with their lives. We can begin to deal more effectively with the whole issue of sexual harassment in the work place. This government believes it is a serious issue. It is one in which we all want to work together.

We want partnerships with employers, employees and unions to eradicate harassment from the work place so all individuals can be productive in their work lives without having to suffer from the fear or actuality of harassment and particularly sexual harassment.

That component of this bill combined with the broader measures to bring government spending under control is good news for the women of Canada. Women of Canada who are increasingly involved in the business community can take advantage of some of the new provisions that are being provided under our Small Businesses Loans Act. There is a time of grace when they will not have to contribute to UI and that will encourage the employment of more people. All of these measures will help us get our economy on track and encourage and improve the situation for women and all Canadians.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I have listened attentively to the minister's intervention. Knowing her interest in the subject matter, I guess it would be safe to assume the minister had a fair amount to do with the provisions contained in this particular bill. I am making reference, of course, to the phrase and subject matter of sexual harassment.

Since the minister is responsible for the status of women, my first question is with regard to staff training. Since the minister has been so seized of the subject matter would she indicate to the House, in response to my question, how much money has been allotted for the purpose of training staff in order to make them more sensitive to the concerns which could be raised by potential claimants as they relate to sexual harassment? I am sure the minister has that in her briefing book.

The second question I ask the minister is that on page 2 of the news release from the minister, she indicated that the board of referees will be given a clear mandate. That is what the minister said: "a clear mandate with regard to the privacy of the victims".

In fact the news release says on page 2:

> Boards of referees would be given clear authority to protect the privacy of victims of sexual or other harassment.

That is what the minister says. That is what the news release says but the law says something different. The law says:

> That the chairperson of the board may direct that the hearing be held in camera or that the details concerning the circumstances not be published.

It is also discretionary for the applicant. I am not asking the minister to make a decision right now but would the minister consider the possibility of just changing that? Would she make it very clear that on the claimant's application it would say "shall" and not "it may" or "it may not"? I point out to the minister there is a discrepancy here.

There may be one kind of decision made by the board of referees in British Columbia and quite a different decision made by the board of referees in Newfoundland.

• (1220)

I would suggest that the consistency to which the minister has referred would not be there. Perhaps the minister could respond to those two questions in full detail.

Mrs. Collins: Madam Speaker, I would like to advise my hon. colleague who raised the question of training, which is important. It is an area in which we have been developing this co-operation between our two departments. We are in the process, and it should probably be completed by now, of developing a national training package. It will be used to train about 17,000 unemployment insurance employees located at more than 440 Canada Employment Centres right across Canada.

Along with the package of materials for all employees, all staff who deal with claimants will also be attending a training workshop which will include video and discussion packages. It will involve the participation of local women's groups and persons with expertise on discrimination and sexual harassment.

These are going to be held across the country. We have been in close co-operation in developing this training package. The program is to be completed by April 1993, when the proposed legislation comes into effect.

We are also working on evaluation mechanisms, because they are important as well, to examine how the training is going and how effective it is. That will obviously be ongoing. The initial round will be for everyone and then we will be evaluating and determining what areas could be strengthened.

This is a very important plus. Quite honestly, I do not know if it has even been done in this way before. We certainly have not been involved to this extent before and we appreciate the opportunity. We have had a lot of experience in this area and have a lot of links back to the community.

I do not know exactly what the cost will be because a lot of it will be local. We will bring together people on a local basis and the national package materials will be funded by employment and immigration.

With respect to the issue of the board of referees, it is given the discretion. There could be circumstances in which it would not be appropriate. However, it is very clearly provided for in the legislation that upon the application of the claimant these hearings can be held in private and without media attention, and that is very important. As I understand from past experience, these cases very rarely get to a board of referees and they are in fact adjudicated at that first level.

Given the circumstances I have already discussed about the benefit of the doubt it is unlikely that many will have to go to the board of referees. I hope not.

Mr. Neil Young (Beaches—Woodbine): Madam Speaker, I would like to follow up on a case scenario my colleague for Timmins—Chapleau mentioned in his contribution. This scenario was also raised by the hon. member for Cape Breton—East Richmond.

It centres around the whole question of just cause, particularly as it applies to sexual harassment. I have a case at the present time in which a young woman about two months ago was finally forced to quit her job because her employer was continually making remarks about her appearance.

He would grade her on a daily basis on a scale from one to ten. Today she looked like a nine and tomorrow she was graded as a number seven. This went on for six months. Although she requested him to stop he continued and persisted in doing so. It finally got to the point where she quit. She was immediately disqualified from receiving unemployment insurance benefits.

Subsequently, she appealed to the board of referees. She had the hearing. I told her to tell it exactly what was said and how it was said, et cetera. They overturned the disqualification and she was reinstated.

Now I want to deal with the comfort level. The board of referees forwards its decision to the employer. I do not think that is going to change under this system. The employer in turn appealed and is now under appeal to the umpire. He does not deny her story at all.

How will this change? This 21-year old woman had this indignity forced upon her in the first place. She had to go to the board of referees and explain. It overturned the decision, advised the employer of its decision, and he has now appealed it. It is a small work place and he went around and convinced other young women in that place of employment to write letters to the umpire saying that he did not sexually harass them. That is an exact case. On a privileged basis I am prepared to provide the minister with a copy of the decisions, letters, et cetera.

Mrs. Collins: Madam Speaker, it is difficult to talk about a specific case. However, we anticipate that what will happen as a result of the training that will be done with the first level of officers is that there will perhaps be a greater sensitization to issues of harassment.

Let me share with the House what harassment is, because sometimes people do not quite understand the definitions that are being used. Harassment, sexual or otherwise, is improper behaviour. The person directing the behaviour ought to have known it would be unwelcome. Harassment may be verbal, physical, deliberate and unsolicited. It may consist of only one incident or a series of incidents that demean, belittle and/or cause personal humiliation or embarrassment.

Harassment also includes abuse of power through the injurious exercise of authority for the purpose of compromising a person's employment. Acts of intimidation, threats, blackmail or coercion are also forms of harassment. Whether it is sexual or not and whether it happens once or more often, harassment cannot be tolerated.

These are the kinds of guidelines that are now being provided. I think they are going to give a much broader understanding of what harassment is to all officers so that these situations can be dealt with much more quickly and expeditiously at the first level and then not require appeals.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, we are discussing Bill C-113, which is a bill dealing with unemployment insurance and other matters. It is a bill which attempts to correct many of the mistakes that the government made a few weeks ago in presenting Bill C-105, again relating to the unemployment insurance matter.

In effect Bill C-113 is an admission that the government bungled Bill C-105, that it moved in a clumsy way in drafting that bill and that it moved too quickly. It was a knee-jerk reaction to the policies of the Reform Party, which is threatening some of the Conservative candidates in the west. Therefore the government put forward these reactionary provisions in Bill C-105 concerning unemployment insurance. Now it has realized it was wrong and it is attempting to correct them.

While these changes in Bill C-113 are an improvement they are still not right, and I would like to explain why they are still not right. First, in Bill C-105 the government was going to reduce the benefits to the unemployed from 60 per cent of their income to 57 per cent, up to a maximum of $447 a week.

Second, Bill C-105 was going to completely cut off from unemployment insurance those who presumably left their jobs without cause and those who were fired for misconduct.

Bill C-113 has kept the cut from 60 per cent to 57 per cent for benefits but only for two years, until April 1995. One might ask why the government is making this cut to 57 per cent of salaries in the middle of one of the worst recessions that we have ever faced in this country.

• (1230)

There are over one million people unemployed. They are struggling to put food on the table, feed their children, pay their rent, and meet the basic costs of their families and the government is cutting the benefit from 60 per cent to 57 per cent for two years, and then it will once again return the benefits to 60 per cent when hopefully we will be in better times. This is something that is not acceptable. We will continue to oppose that measure.

With respect to the second and probably just as controversial part of its policies, which is the provisions that would totally prohibit from unemployment insurance those who leave their jobs without just cause or who are fired for misconduct, the government has made some improvements. For example, it will set out in the law additional grounds defining just cause. That is good. It is good the government put that in the law. It will provide that in harassment cases, sexual and otherwise, these hearings will be held in private. That is a good thing, because sometimes the claimants do not wish to discuss matters of sexual harassment, in particular, in public. Providing that this be done in private is an improvement.

The government is also providing in Bill C-113 that those who leave a job in order to preserve other jobs in the company or firm will not be denied unemployment insurance.

Despite those minor improvements, and they are improvements, the bill is still not acceptable because the penalty is still excessive. It is still an excessive and harsh penalty when we consider that just cause is not always clear. It is very often a grey area. It is very hard to prove and it is time consuming. It takes at least two to three months in the appeal process to prove that one has just cause when one leaves a job.

There was a case in Montreal in which it took up to two years of pursuing the appeal process before the applicant won his case and proved just cause.

In effect, this is a situation in which the application, the employee, is presumed guilty until he proves his innocence. It is presumed that when people leave a job they are leaving without just cause, that they simply want to goof off, and that most people who leave jobs simply want to goof off. It is presumed that they are guilty and that they are in that position. They must go through the whole process of proving: "No, I did not just goof off. I had just cause". That is not an easy job.

The individual must put together the proof, must get witnesses and documents and go before a board of referees or an arbiter to prove that it did have just cause. It is time consuming, expensive, and extremely difficult. Meanwhile, the individual has no income even though he or she may have just cause during the whole period of time that he or she is trying to prove just cause.

We are saying that to totally deny benefits to these individuals is an excessive, unreasonable, and harsh penalty, which was never in the law before. We in this party are not saying that there should not be a penalty for those who leave their jobs without just cause. There has always been a penalty in the law. The Liberal Party started the unemployment insurance program. For years we had in the law a penalty of one to six weeks, which was discretionary depending on the seriousness of the case.

The officials in the department could assign a penalty of one to six weeks. It was usually an average of two to three weeks in addition to the two-week waiting period for those people who left their jobs without cause. This was a reasonable penalty considering that many cases are difficult to prove and so on.

In 1990 the government changed that penalty to one of seven to twelve weeks. We opposed it at the time saying that it was an excessive penalty. At the time we said that we would have accepted extending the range from one to twelve weeks but not setting the minimum at seven weeks because there were cases in which it may be desirable to give a two or three-week penalty. However, the government moved from a penalty of one to six weeks to one of seven to twelve weeks.

That was only two years ago. Now all of a sudden the government is proposing an absolute denial of benefits. There will be no range of penalties but simply a total denial of benefits when a person leaves a job without just cause.

One might have expected that maybe the government would have once again extended the range, let us say from a seven-week penalty to perhaps a total denial of benefits, and then the officials and board of referees could make a decision as to what was a just penalty in the case before them.

However, the government has eliminated any possibility of discretion and has not allowed the board of referees of the department to say: "Well, yes you left but this case is in a grey area. You have not been able to totally prove just cause so we will give you a five or eight-week penalty".

The government has to totally deny benefits in situations which are not always clear cut, which are very difficult to prove, very time consuming and expensive. Meanwhile, the individual is left without benefits.

In this debate the government has completely forgotten that there is another rule in the Unemployment Insurance Act, which is that in order to keep collecting unemployment insurance people must always be ready and available for work. If they show that they are not ready and available for work then they are cut off from unemployment insurance benefits.

We in the Liberal Party are not protesting that rule. It has been in the act for years and years. The government is presuming that if people quit their jobs for good reasons they are just going to sit at home and not try to get work. That is not the case. The law requires that once people are on unemployment insurance, once they receive it and have been proven eligible, and if they have suffered a temporary penalty if required, then during the period they are receiving unemployment insurance they must be searching for work. They must be ready and available for work. They cannot say: "I have retired. I do not want to work. I am going on a holiday to Florida" or "I am just going to sit home and write books".

They must always be ready and available for work. If it is shown that they are not ready and available for work or if they refuse jobs in their own profession or trade then they are cut off completely.

Why is there the necessity of this massive and excessive penalty against those who leave their jobs when just cause is not always clear cut?

I want to repeat that we believe in a penalty for quitting without just cause. There has always been a penalty in the law for quitting without just cause, but it was a reasonable penalty. First it was one to six weeks and then it was changed to seven to twelve weeks.

The other day in the House I asked the minister why after two years he decided that seven to twelve weeks was not harsh enough and why he is moving to a total denial of benefits. He never answered the question. Was there an evaluation done of the penalty put in the law in 1990 which showed that people were sitting at home goofing off and going to Florida? He did not give us any evidence to that effect. There were no studies, no evaluations made and no impact studies.

We know what it was. There is a Reform Party now in the west, and it has an excessive reactionary policy on these things. That party was putting pressure on Conservative candidates in the western provinces and in part of Ontario. To respond to those voters in those ridings, without thinking and without really looking at it very closely the government threw this on the table. Now it has admitted it is wrong and it is backtracking to a certain extent, but it is not backtracking enough.

What the government has forgotten in the whole debate is that if people are not always ready and available for work while they are receiving payments, while they are considered eligible, then they can be cut off.

• (1240)

Every year thousands are cut off because they are not ready and available for work. That is a rule of our system. We in the Liberal Party do not oppose that principle. We put that in the law. We put penalties in the law, but we believe in reasonable penalties considering the seriousness of the situation and the fact that just cause is not always easy to prove and is not always clear cut.

The government has said it is doing this because in recent months and recent years there has been a tremendous drain on the unemployment insurance fund. That is a real laugh.

In 1990 what did the government do? Before 1990 there were three groups that contributed to the unemployment insurance fund. Workers and employers contributed to the fund, and the government contributed to the fund when the unemployment rate went over, I believe, 6 per cent. Prior to 1990 the contribution by the government was $2.8 billion. What happened in 1990? In 1984 when this Conservative government was elected it began to cut the payments for training and retraining. Every year from 1984 to 1990 it cut the money available for retraining.

All of a sudden there was a lot of criticism of the government by people saying there was not enough money available for training. The de Grandpré commission report said more money had to be put into training. The free trade agreement had been approved and there was a need for more money for training. The government started searching around for more money for training. It looked at the unemployment insurance fund and saw that it had a surplus of $3 billion.

It amended the law in Bill C–21 and did away with the government's contribution to the unemployment insurance fund but took the $3 billion and put it into training. It took that amount out of moneys that were supposed to be for workers when they were unemployed and put it into training. Then it boasted about what a great government it was for contributing to the training programs in the country and about how much it did for training.

In 1990 when it hijacked the unemployment insurance fund of $3 billion for training it only brought the training budgets back to what they were in 1984 before it cut them so badly between 1984 and 1990.

It was quite a laughable matter to listen to the previous speaker, the minister from British Columbia, suggest that we believe that the unemployment insurance fund should be used for other matters than for the unemployed. It was her government, supported by herself and others, that agreed to change the unemployment insurance fund, take $3 billion out of the fund and use it for training.

Prior to 1990 the unemployment insurance fund worked so that in good times when unemployment was low there was a surplus in the unemployment insurance fund. That is why there was a $3 billion surplus in 1989-1990. There was a surplus in the fund. When things became bad, as they are now and have been for the last two years, the fund would use up that surplus and go into a deficit. However, in the long run the fund remained rather stable. There was a surplus in good times and a deficit in poor times. In the long run the contributions to the fund, with the government contribution, kept it at a reasonable level.

Now the government says the fund is in a terrible deficit so it is going to cut benefits, cut people off and so on. The reason the fund is in difficulty is that the government hijacked the fund in 1990 and decided to use a great percentage of it for training.

We in the opposition were all for training, but we agreed that training, like education, should be paid for by the entire taxpaying population of the country and not just by workers who contribute to a fund. They alone should not pay for training programs.

We objected to Bill C-21 at the time. We still object to the principle on which it was based.

Bill C-113 does not correct the problems. There are some improvements in Bill C-113 but it does not correct them. The government is shifting a further burden to the provinces and the municipalities with respect to welfare and social assistance.

People who will not get unemployment insurance as a result of this bill will have to live. We are not a country that leaves people dying on the streets from starvation. They will be picked up by the provincial welfare system, and in Ontario and Nova Scotia by the municipal welfare systems. Their deficits for these matters are growing by great percentages each year because of the shifting of burden to them.

When I raised this the other day in the opposition day debate a government member got up, took issue with me and said that what I said was not true. The member said that the government is giving increased sums of money to the provinces and municipalities. It is probably correct that in dollar terms the amounts the government is giving in 1992-93 are greater than it gave in 1990-91. However, in percentage terms it has cut back on what it should be giving and it is leaving a greater percentage of the burden with the provinces and municipalities. They have a much greater burden than they have had to deal with in the past.

We are in a very grave situation. Over 1 million Canadians have been unemployed for more than a year now. One would think that the principal thrust of the government's legislation and policies would be to put these people to work. My colleague from Toronto spoke of the very sad situation with respect to young Canadians coming out of universities and colleges with degrees and not being able to find work or working for minimum wages in fast food outlets and so on. One would think that its highest priority would be to create jobs and work for Canadians.

However, what is it doing? It is cutting unemployment insurance benefits from 60 to 57 per cent during this period of high unemployment. It is making it more difficult for those who leave jobs for just cause, and I say for just cause, harassment or whatever, because even though it says in the law that people get unemployment insurance benefits if they have just cause it leaves them with the great difficulty of proving it over a long period of time, which is a difficult and serious burden. That is what the government is doing when it should be doing more positive things to put Canadians back to work.

The jobs that are available to Canadians more and more are low-paying, non-union jobs without benefits. They are service jobs that do not compare at all with the industrial jobs that many Canadians had a few years ago.

Unemployment insurance was introduced in 1941 following the Great Depression of the 1930s. In the 1930s there was no unemployment insurance and very little social assistance. The thousands and thousands of people who were laid off had to go to soup kitchens and bread lines and had to use up their savings. Many people lost their homes and sold their furniture because there was no unemployment insurance. Canadians in all provinces said: "We do not want to see that again" so they agreed to an amendment that gave responsibility for unemployment insurance to the federal government and we started the unemployment insurance program.

The unemployment insurance program was a great step forward for Canada, if we look back at the period before we had it. It is not only good for the workers who lose their jobs, because it helps them to put bread on the table, pay their rent, and take care of their children during that period of unemployment, but it is also good for the whole community because it keeps money in circulation. It is good for the corner store. It is good for the person who is renting homes because they do not go bankrupt. We avoid the snowball effect that happened in the 1930s when a whole community went under because there was no unemployment insurance. Unemployment insurance economically sustains the whole community during periods of unemployment.

While this bill is an improvement on Bill C-105 it is still not good enough. Unless the government improves it even more we are still going to oppose it.

[*Translation*]

Mr. Jean-Marc Robitaille (Terrebonne): Madam Speaker, I listened very carefully to the hon. member who said, in concluding, that when unemployment insurance was introduced, it was a good thing for the unemployed. It still is. As far as we know, people who lose their jobs will always be able to receive unemployment insurance benefits. In fact, I think the hon. member is making a mountain out of a mole hill, and even engaging in demagogy.

• (1250)

In the bill before the House today, eight valid reasons have been added for quitting one's employment. These apply to more than 40 situations that are considered to be just cause for quitting one's job on a voluntary basis, including adoption, pregnancy, union activities, going into business or becoming self-employed, moving to get married, a job that would require a person to work away from his family, and so forth. After exhausting all these possibilities, a person who decides to quit voluntarily without just cause, without provocation, will be assumed, according to this bill, to be the author of his own misfortune, and Canadian workers should not have to pay for that person.

Finally, the hon. member is actually saying he is fully prepared to pay for people who voluntarily quit their jobs and abuse the system. Considering the deficit in the unemployment insurance fund, it is clear the federal government has to borrow on international markets to be able to finance that particular deficit and the Canadian deficit. What is the result? The result is that your children and my children and future generations will be saddled with a debt that was created because we did not have the guts to put some teeth into the system.

My question to the hon. member is very straightforward. Does he really mean what he and his party are saying, when he rises in the House and says that he disagrees with our proposal to put some teeth into the system and make people who create their own misfortune, their own situation, bear the cost? That is how insurance works. Madam Speaker, have you ever seen a person who set his house on fire get compensation from the insurance company? What we are saying is that someone who sets his house on fire, who voluntarily quits his job without just cause, should not expect the workers of this country to pay his keep. Does the hon. member really mean it when he says we should maintain the status quo, ignore the deficit and keep raising the national debt and mortgaging the lives of future generations?

[*English*]

Mr. Allmand: Madam Speaker, as I and members of this party have said several times in our speeches, we believe in a penalty for those who quit without just cause, but the penalty has to be reasonable in consideration of the fact that just cause is often a grey area. It often is not clear cut, is very difficult to prove, takes a long time, and so on.

We do believe in a penalty that is reasonable. We believe in such reasonable penalties because we know, and the hon. member should know as well but he does not seem to, that even if you get unemployment insurance after, let us say, a penalty of five or six weeks you have to be ready and available for work. If you are not ready and available for work, then you can be totally denied unemployment insurance.

I would like to ask the hon. member a question, but he will not be able to answer. Maybe members of his party will be able to answer when they speak further in this debate. In 1990, just two years ago, the government did not seem to have this view of the unemployment insurance system. What it did was it extended the range of weeks of penalty to those who quit without just cause. At that time, two years ago, the government did not seem to think it was necessary to totally deny unemployment insurance benefits to those who might quit in a very difficult situation, because it was realized that they had to be ready and available for work and if they were not they would be denied benefits altogether.

I could ask the hon. member, as I did in my speech, where were the evaluation studies or where were the impact studies of the government which showed that what it did two years ago was not working? We were not given any such study. No, there is no basis for what it has proposed in Bill C-105 and in Bill C-113, this total denial of benefits.

A Conservative government was in place under the right hon. member for Yellowhead in 1979. He did not take the same point of view as this Mulroney government today that unemployment insurance benefits should be totally denied to those who quit. The Diefenbaker government in the late fifties and early sixties never took that point of view.

For years we have had unemployment insurance with reasonable penalties for those who quit without just cause. Reasonable penalties, because we knew there was another rule that you had to be ready and available for work.

Our policy in this party has been the mainstream policy of all parties for a number of years now, including the Conservative Party. It is the Conservative Party that has done an absolute flip-flop on these things from what it did two years ago. It has brought in this absolute denial of benefits to those who quit without just cause.

We agree that those who quit without just cause should be penalized, but it should not be an absolute excessive penalty. It should be a reasonable penalty considering that those people will still have to be ready and available for work.

Mr. Cid Samson (Timmins—Chapleau): Madam Speaker, I listened very carefully to the hon. member for Notre-Dame-de-Grâce.

I would like to preface my comments and my question by saying that I have a great deal of respect for that member. I consider him to be one of the senior members in this House and someone who has been here for many, many debates and for the many, many changes in legislation which have passed through this place.

At the same time, I would like to ask the hon. member a question. When he talks about the reduction of benefits from 60 per cent to 57 per cent, he refers to unemployment insurance as being a buffer, a stimulant for the economy in a community that is being hit hard by unemployment insurance. It helps people pay rent. It helps people put food on the table, et cetera. He is absolutely right.

I would like the hon. member to give me, if he can, his party's position. He has declared his position in that he opposes the reduction. In asking for his party's position, I remind the hon. member, who was probably in cabinet in 1978, it was the Liberal Party that reduced the benefits from 66-2/3 per cent to 60 per cent. At that time the Hon. Bud Cullen was the Minister of Employment and Immigration. He said that one of the reasons it was being reduced was to encourage people to stay at work, so that they would not quit, loaf and be on unemployment insurance.

I would like the hon. member for Notre-Dame-de-Grâce to give us his explanation as to what his party's position is going to be in terms of the reduction in benefits. I doubt it very much but those members seem to think they are going to form the next government. I would like to ask the hon. member if that happens by some magical reason, will those members reintroduce benefits at the 66-2/3 per cent level in order that people are not put through undue hardships as a result of being unemployed?

Mr. Allmand: Madam Speaker, the comments I made during my speech represent our party's policy.

We are opposed to the cut from 60 per cent to 57 per cent. It will be noted that in Bill C-113 this cut which was supposed to be an ongoing cut has now been limited to two years. We are opposed to that cut as a party. If we were to form the government, we would put it back to 60 per cent. Maybe at one time or another we would have a review of the unemployment insurance system and consider other ranges as well. We are not committed at this time to restoring it to 66 per cent. I have to be honest with the hon. member on that. What the exact amount of entitlement should be is open to debate.

Obviously no unemployment insurance system pays workers 100 per cent of what they were getting when they were employed. They are paid 75 per cent, 60 per cent, 66 per cent, or whatever. He is correct that in 1978 our party cut the payments from 66 per cent to 60 per cent. I can tell the hon. member I have not always been in full agreement with things done in our party, but overall I think our party's programs are better than any other party's program.

He is a member from Ontario. I would not be surprised if he does not agree with all things that are now being done by the NDP government in Ontario. He may think it is the best possible government for Ontario. I would be surprised if he agreed with everything that it has done recently. It has not done everything that I would expect it to do as a government in Ontario. It made a few cuts here and there that were not expected and that were never talked about when that party was in opposition.

Our party policy is that the rate should be 60 per cent at least. Perhaps we would agree to review that as a government to see if there is a more reasonable or a more just rate, but we are not committed to returning to 66 per cent. I appreciate that 66 per cent put more money in the pockets of the unemployed, but at the time the minister must have been balancing one thing off against the other.

We are opposed to this cut at this time. We think to bring in this cut now when we have over one million Canadians unemployed is totally ridiculous.

An hon. member: In the fifth year of its mandate.

Mr. Allmand: Yes, in the fifth year of its mandate. It is obviously a reaction to the policies of the Reform Party threatening the government's candidates in the west. There is no doubt about it. It was badly thought out, badly conceived and now the government is back-tracking and trying to correct the mistakes it made in Bill C-105.

[*Translation*]

Madam Deputy Speaker: The period for questions and comments has now expired.

It being one o'clock, I do now leave the chair until two o'clock this afternoon.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

PUBLIC SERVICE OF CANADA

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, the recent announcement that 1,200 public servants have been terminated by the Department of Supply and Services is to be followed by 1,700 more Public Service jobs to be lost within that department.

This a penny wise and pound foolish Conservative government. It has over its nine years in office demoralized the Public Service of Canada. It has destroyed a long proud record of public service to Canadians. The Tories have not saved Canadians any money with these cuts.

The goal for the Tory government is to scapegoat the Public Service. The goal for the Tory government is to privatize public services to provide additional patronage for its friends already too deeply gorged with public patronage and public taxpayers' dollars.

We call on the government to end this practice of destroying the Public Service of Canada.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, a press release issued by the National Media Archive on February 16, 1993 says: "CBC sources misled the public on the changes to the Unemployment Insurance Act announced in last December's Economic and Fiscal Statement. This is the primary finding of a soon to be released study conducted by the National Media Archive on CBC's and CTV's national news coverage of Don Mazankowski's mini budget".

It also says: "On the December 2, 1992 newscast, CBC quoted Judy Rebick's false claim that victims of harassment would be ineligible to collect UI benefits under the proposed changes. CBC not only failed to refute the statement in the remainder of the story but has continued to report these allegations as if they were true." That is from the press release.

Canadian taxpayers fund the CBC to the tune of nearly $1.3 billion. I think this study's finding on the quality of information that the CBC should provide is

very important. I therefore ask the CRTC and Keith Spicer to consider this issue seriously. Canadians are entitled to expect that our national networks will provide quality, unbiased information and report the facts.

* * *

[*English*]

CANADA POST CORPORATION

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, today I challenge the Canada Post Corporation to abandon its policy of closing all rural Canadian post offices.

Under the corporation's natural opportunities policy, all rural post offices are slated for closure when the natural opportunity of retirement, resignation or death of a postmaster occurs.

This policy is seriously flawed and short-sighted. It does not allow for the examination of the particular situation of a community. When a natural opportunity presents itself, the corporation moves and closes the post office.

[*Translation*]

Canada Post announced that it would close the post office in Pointe-Verte, in my riding of Restigouche—Chaleur. The corporation is still going ahead with this disastrous policy.

I oppose this policy and the closure of the post office in Pointe-Verte. I urge the government to order Canada Post to abandon forthwith its policy of closing post offices.

* * *

INTERNATIONAL DEVELOPMENT

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I am pleased to inform you that an organization in my riding, the *Société de coopération pour le développement international* (SOCODEVI), has developed several original initiatives for International Development Week, an activity sponsored by the Canadian International Development Agency.

To help Canadians understand the issues of development and international co-operation, SOCODEVI has done various things to inform the public and raise awareness in the riding of Québec-Est and in several other regions of Quebec.

Also, with the co-operation of the Agropur co-operative, a message on International Development Week is being carried throughout February on more than seven million milk cartons all over Quebec.

This initiative shows the interest that private organizations have in working closely with international development groups to provide a better future for all.

* * *

[*English*]

TORONTO ECONOMY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the past two years over 100,000 jobs have been lost in metro Toronto, many of them never to return. In addition millions of square metres of office space sit empty. Almost $200 million in property taxes are due by companies that have gone bankrupt.

Tomorrow at the economic summit metro Chair Tonks and the six mayors are likely to ask Ottawa to declare Toronto an international banking centre like Vancouver and Montreal, to remove the federal freeze on transfer payments to Ontario, to invest in research and development for the advancement of rapid transit technology, to help redevelop the railway lands to enable urban intensification in the city, to clean up the polluted Toronto harbour from toxic contamination and hopefully to improve the aging sewer infrastructure.

We urge this government to help kick-start the metro economy. When Toronto thrives, Canada thrives. When Toronto suffers, Canada suffers.

* * *

[*Translation*]

MINING

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, MSV Resources of the Corpomin group announced yesterday that it had reached an agreement in principle with Westminer, a mining company, whereby MSV would by the Copper Rand and Portage mines and the processing plant in Chibougamau from Westminer.

With this acquisition, MSV, which has a mining concession in Eastmain, north of Lake Mistissini, will produce 45,000 ounces of gold and 11 million pounds of copper a year and own a smelter with a capacity of 3,000 tonnes a day.

MSV announced that the transaction was preceded by an agreement on salary reductions for some 300 miners who lost their jobs when two plants closed on November 26, 1992.

On behalf of the mine workers, I want to thank the Mayor of Chibougamau, Ronald Blackburn, the James Bay Development Corporation, a dynamic minister in the Quebec government, Lise Bacon, and federal member of Parliament and Minister of National Health and Welfare for their work on this issue.

* * *

[*English*]

FORESTRY INDUSTRY

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, the importance of forestry to the economy of Canada is really Canada's best kept secret. The forestry industry which is the production of newsprint, kraft, fine papers, container board, and softwood lumber from two–by–fours to the finest plywood made for furniture is Canada's single largest industry.

The forestry industry provides over 750,000 jobs for all Canadians. There are over 8,000 businesses from small family sawmills to large corporations whose main purpose for being is the forestry industry.

Forestry is the main employer in over 350 small communities in Canada. It creates over $35 billion worth of wealth in our country and almost $20 billion of that is in export sales. Need I say more?

I ask this government and the governments of every province and every territory to protect this valuable Canadian resource, to protect this valuable Canadian industry, to assist it to expand its horizons and thereby create more jobs for all Canadians.

S. O. 31

WORLD VISION FAMINE

Hon. David MacDonald (Rosedale): Mr. Speaker, last month I wrote members urging them to support World Vision's 30–hour famine.

For the past 15 years World Vision Canada has encouraged teenagers across the country to abstain from eating solid food for 30 hours in an effort to raise awareness of the issues of Third World hunger.

Today I want to urge all Canadians through Parliament to support this worth–while venture. Last year the 30–hour famine involved 100,000 students across Canada and raised over $2 million.

World Vision is committed to emergency relief, the supplying of food, medicines, and supplies in situations of disaster and natural famine. It is also committed to long–term sustainable development.

Young people participating tomorrow and through Saturday will learn what lies behind the gnawing hunger that is a reality for millions of men, women and children every day in this world. They learn that they can do something about it. By inviting their families and friends to support them they also discover the benefits of being an advocate for the poor. By participating in this 30–hour famine young people become proactive in the program of experience, learning and sharing.

World Vision is proud of the kids who support and promote the 30–hour famine. They are tomorrow's leaders but they are making a difference today.

* * *

ARTS AND CULTURE

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, earlier today at the National Arts Centre, a map of Canada was raised with over 200,000 signatures of Canadians from all regions demanding a halt to the cuts in arts and culture.

Since the election of the present government there has been a steady decrease in support to the arts. The arts community understands the dire conditions of our country's financial situation but it wonders about the economic management and wisdom of the government. While programs like the $4.4 billion for 50 helicopters are not cut and megadollars continue to be poured into

white elephant megaprojects, the government however cuts funding to the arts and cultural industries.

• (1410)

The arts and cultural industries provide jobs to over 346,000 Canadians, return $17 billion to the Canadian economy and earn $1.3 billion in annual cultural exports.

This government's misplaced priorities will mean orchestras, theatre companies and galleries will have to close resulting in job loss and less productivity within the arts and cultural industries.

Canadians who have signed the largest petition ever presented by the arts community demand that the funds which have been cut be restored.

Canada has a strong and vibrant arts and cultural industry. Canadians are telling this government: "Do not destroy it".

* * *

ARMED FORCES

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise to bring to the attention of this House the most unusual thing that has occurred to our Armed Forces.

Because we do not have enough regular troops to replace the ones in Yugoslavia and other areas, we are training reservists to be able to replace the regular force if necessary.

This House is aware that for almost two years the people of Annapolis and Digby counties along with the elected officials, both provincial and federal, have sought to add peacekeeping training to CFB Cornwallis.

What did this government allow our Armed Forces to do to train 826 reservists and regular troops? It allowed them to be sent from Manitoba to California to be trained for peacekeeping.

Imagine what that says to the rest of the world about Canada's ability for peacekeeping training. Imagine what it says to the people in the Armed Forces and to a place like CFB Cornwallis that does recruit training. Imagine what it says to the laid-off people and the businesses in the CFB Cornwallis area.

It makes absolutely no sense to send 826 Canadians to California to be trained in peacekeeping when we have the facilities in Canada.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, today Canadians have an example of a government that listened to their representations after Bill C-105 was tabled.

A special committee of the PC caucus conveyed to the Minister of Employment and Immigration the legitimate concerns expressed by Canadians. The committee members also made specific recommendations not only on the amendments proposed in the bill but also on several other points concerning the administration of unemployment insurance.

The minister listened to the committee and took its recommendations into account. That is why we have tabled the new Bill, C-113 which responds appropriately to the earnest representations we received.

This is the result of the serious work done by a committee of Progressive Conservative members and the open-mindedness of the minister.

* * *

[*English*]

MARKET VALUE ASSESSMENT

Mr. Sergio Marchi (York West): Mr. Speaker, literally thousands of residents in my riding of York West have been attending giant sized meetings and rallies to protest the increasing amount of property taxes and particularly to protest and outcry the decision of the Ontario New Democratic government to block market value assessment.

Market value assessment would have meant that for the residents in my riding over 80 per cent of those households would have seen a reduction in their property taxes.

The New Democratic Party purports to be the party of working class Canadians and the party that suggests day in and day out it is prepared to reform the system. The blockage of market value assessment by the New Demo-

cratic government in the province of Ontario is absolutely irresponsible.

I call on the premier of that province and of that government to reconsider and to give working and middle-class Canadians in my riding and countless other communities in metro a legitimate break. They have been paying too much for many years and now the New Democratic Party is forcing them to continue to pay those illegitimate costs.

* * *

TORONTO ECONOMY

Hon. Alan Redway (Don Valley East): Mr. Speaker, employment in the Toronto region is now just over 90 per cent of its pre-recession level. In the rest of Canada employment has returned to 99 per cent of its pre-recession level.

The Toronto region represents one-sixth of Canada's population and about one-fifth of its total economy. Therefore Toronto must recover before Canada will truly return to prosperity.

The economic downturn has however created an opportunity. The fall in commercial and industrial real estate prices has made the region much more internationally competitive than it was during the late 1980s. Metro Toronto wants to take advantage of this by building a new international trade centre. A new trade centre in T'aipei boosted the entire economy of Taiwan. A new trade centre in Toronto can do the same for the Canadian economy.

Hopefully our government will be prepared to help Toronto to help Canada.

* * *

HUMAN RIGHTS

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, fair is fair and some issues should never be partisan.

Just as Jean Pelletier was wrong in his judgment about politics and race, and his views condemned, so too should be the views of those who have explicitly agreed with him such as that self-styled New Democratic pundit on CTV.

We should condemn as well the parliamentary secretary—remember the member for Athabasca—and his Tory colleagues on the employment and immigration committee who not only acted in an unusual way to suppress from public view testimony concerning discrimination in the Immigration and Refugee Board, but proceeded to treat the witnesses in the same inappropriate way about which refugees too often complain.

All of them are wrong. All have sullied the image of the Canada that I love.

Mr. Speaker: I am taking nothing away from the matter which the hon. member raises. While names were not named, I do not think it would be very hard to identify them. The imputation of motive was certainly very strong in the statement.

I listened carefully but I would ask hon. members to be very careful when they are making statements to keep in mind the strictures which bind us and that is there should be no personal attacks in member's statements.

* * *

LOBBYISTS

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, on Tuesday the Earnscliffe Strategy Group appeared before the Standing Committee on Consumer and Corporate Affairs.

An allegation was raised by the Earnscliffe group concerning the objectivity of a member of the press corps. It was alleged that Mark Kennedy, a reporter from *The Ottawa Citizen* had contacted Gordon Ashworth, who is the campaign director for the Liberal Party, concerning recent articles Mr. Kennedy wrote about the relationship between lobbying firms and government.

Mr. Kennedy pointedly asked Mr. Ashworth if Michael Robinson, a member of the Earnscliffe Group and also affiliated with the Liberal Party, was upset about the stories that had appeared in *The Ottawa Citizens*.

When Mr. Ashworth replied yes, indeed, Michael Robinson was less than happy about the coverage, the *Citizen* reporter stated that Mr. Robinson should not be upset because, and I quote: "the purpose of these stories was not to get to the Liberal Party but in fact to embarrass the Tory government".

It is small wonder that the Canadian public is disillusioned with politicians when stories are written or fabricated by the press corps with the express intent of embarrassing the government.

I call on *The Ottawa Citizen* to conduct an internal investigation of this allegation regarding Mr. Kennedy's journalistic practices.

ORAL QUESTION PERIOD

[*Translation*]

EMPLOYMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Minister of Employment and Immigration, my question is for the Deputy Prime Minister. Yesterday, we saw an extraordinary contrast. President Clinton introduced measures to create up to 500,000 jobs, to stimulate the economy, to raise taxes for those earning over $100,000 and to spare families earning less than $30,000. Here in Canada on the same day, the worn-out, tired Conservative government created no jobs and attacked the unemployed who make $253 a week on average.

Does the minister really think that he can fool the people of Canada as easily as he fooled the Conservative caucus?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as usual the hon. member's interpretation and allegations are absolutely false.

What I heard last night in President Clinton's address to the nation was a program to provide stimulus to strengthen the economic recovery, a program of targeted investments in people, training, infrastructure, technology and equipment.

• (1420)

That is precisely what we undertook to do in the December statement. We took steps to invest in people, to invest in infrastructure, to enhance the small business sector activity, to enhance trade, to enhance research and development. We talked about partnerships with labour, with business and with the provinces. We froze salaries. We continued our program of de-scoping government and scaling down the operations of government, streamlining agencies. We put forward a deficit reduction plan.

Clearly the President of the United States believes that the deficit and the debt are important considerations, key to economic growth, key to bringing down interest rates, and key to investment. In that regard, it is really very little different from the plan we announced in December. The only difference is that they propose to tax and tax very heavily. We provided tax relief.

Ms. Sheila Copps (Hamilton East): There have been 34 new taxes since 1984, Mr. Speaker. I wish the minister would go to the people and let them judge this government on its tax record. President Clinton said quite clearly last night that people earning under $30,000 a year would be spared.

In fact, this week in a bill put before the House, the Minister of Employment and Immigration is asking those people who earn on average $253 a week to take a 3 per cent cut in light of the government's deficit position.

How does the government justify attacking the unemployed, whose average salary currently is $253 a week? Why is the President of the United States kick-starting the economy and the Prime Minister of Canada kicking the unemployed?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, again the hon. member is outdated. She is talking about horrendous tax increases. Yes, there were some tax increases. Surely she would not expect the Canadian people to go on with the policy the Liberals had in place which provided for the expenditure of $1.33 for every dollar's worth of revenue that was being taken in and that generated a $38 billion deficit.

She talks about low income people. I remind the hon. member that under tax reform a number—850,000 families, I believe—were taken off the tax rolls. People earning under $30,000 have their GST refunded to them. The child benefit program helps the working poor. It targets the money from the rich to the working poor to help them raise their families and stay in the labour force. Those are very positive and progressive policies.

The hon. member should go back and read up on some of the programs and plans that we have put in place.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the minister knows perfectly well that in Montreal, one family in four is living on welfare thanks to his economic policies. Last night, President Clinton announced a program to create at least 500,000 jobs. Here in Canada, although the Liberal Party has been asking repeatedly in the past year for a municipal infrastructures program that could provide that kind of boost for the Canadian economy, it has yet to materialize.

Again, I would like to ask the Deputy Prime Minister how he can justify cutting benefits to people who are earning $253 a week, while he does not take anything from people earning more than $100,000?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, Mr. Clinton's short-term proposals provide for $3 billion in highway investments, $2.5 billion in community development block grants, $845 million in waste water clean-up initiatives and a temporary incremental investment tax credit.

We have provided for an infrastructure program that will invest some $2 billion and create some 4,000 to 5,000 jobs every year in strategic investment. Based on the size of the two economies, we have contributed more to the infrastructure program than has President Clinton. Also, the additional investments in research and development, the electronic highway and the investment in the microwave landing system are investments in infrastructure. They are investments to create new job activity and new opportunities for Canadians.

* * *

UNEMPLOYMENT INSURANCE

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my question is for the minister of employment.

The many changes to the UI legislation proposed by the minister only fooled the Quebec Tory caucus. The fact remains that the proposed changes to the UI act do not guarantee that a person who deserves UI benefits will get them. This is the most fundamental flaw of this legislation.

Will the minister abandon this ridiculous approach toward deficit reduction and so-called UI reform and withdraw this bill?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the hon. member is suggesting that those people who voluntarily leave their jobs should qualify for benefits under the Unemployment Insurance Program, paid for by the workers and the employers of Canada, I have to tell him no, we will not accept the position of the Liberal Party.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I am suggesting that while this government was trying to figure out whether the demonstrators in Montreal were separatist, whether it would set up a UI snitch line or UI police, the reality of this tragic comedy is that there are 1.6 million Canadians waiting for this government to take the leadership and put them back to work.

Why do you not address the number one problem of this country which is unemployment?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, what we have done in this bill is clarify a number of the issues that were raised.

We particularly clarified the distortions and the misinformation that was perpetuated by the members opposite and by other critics of the program. We have clarified the issue and we hope that the hon. member will now support it.

There is some very positive action on the trade front which is good for jobs. In the manufacturing sector—

Mr. Nault: What are you going to say now?

Mr. Mazankowski: I know good news is not welcome over there but manufacturing sales have increased by 17.2 per cent in the last six months.

Canadian exports reached a record high annual level of $157.5 billion. That is an 11 per cent increase over 1991 and the largest year over year increase since 1984. Exports to the United States reached a record high of $122.3 billion, $14.7 billion more than in 1991 and $20 billion more since the free trade agreement came into effect in 1988.

Some hon. members: Oh, oh.

Mr. Mazankowski: Mr. Speaker, they are not going to shout me down. Good news is very tough to filter through this gang. I am telling you and the Canadian people the fact of the matter is very simply—

Some hon. members: Oh, oh.

Mr. Mazankowski: These people across the way are trying to oppose the free trade agreement, the GST and all the things that have turned this economy around.

Some hon. members: Hear, hear.

* * *

EMPLOYMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this morning our New Democrat leader released a five-year plan to achieve half a million additional jobs and cut unemployment—

Some hon. members: Oh, oh.

• (1430)

Mr. Langdon: As I said, our New Democrat leader this morning released a plan which would achieve 500,000 additional jobs and cut unemployment levels to 7 per cent. For the first time ever in the country the plan was released with an independent assessment by a neutral, professional, economic forecasting company.

My question is for the Minister of Finance. This independent assessment says that the New Democrat plan means thousands more jobs, an $8 billion savings on the deficit and lower taxes for 80 per cent of Canadians, compared to the present government's approach. Will the government take off its partisan hat, seriously consider this full employment package and accept this challenge to put 500,000 more Canadians back to work?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, some of my colleagues on this side of the House called it a plan from Disneyworld. In many respects it is kind of a Chrétien II economic policy. They are calling for a national infrastructure and the expenditure of something in the order of $25 billion. They have not told us whether they are going to borrow the money or who they are going to tax.

They talk about eliminating the GST and that is going to create 50,000 jobs. They should ask the Canadian Manufacturers' Association. The Canadian Manufacturers' Association tells us that the GST has had the effect of improving their competitive position by between $3.5 billion and $4 billion. That is why we have seen manufacturing sales going up by 17 per cent in the second half of this year. They want to scrap the free trade agreement.

Some hon. members: Hear, hear.

Mr. Mazankowski: Isn't that wonderful? Our exports to the United States are up by almost 20 per cent since we signed the free trade deal. Every province in Canada has benefited from the free trade agreement, and they want to dismantle it. Why do they want to dismantle those things that are creating jobs, creating economic activity, bringing the economy along and allowing people to enjoy—

Mr. Speaker: The hon. member for Essex—Windsor on a supplemental.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I suggest the minister should read the plan before he comments. He would find the figures that he has quoted—

Mr. Speaker: The proper way to put a question is to put a preamble and to put the question. The proper way to answer it is to pay attention as closely as possible to the question and try to respond to it. The hon. member will put his question.

Mr. Langdon: Thank you, Mr. Speaker, for pointing that out to both of us. My point is that we have a plan to put forward which eliminates the GST because it will benefit jobs and will cut taxes for 80 per cent of Canadians.

[*Translation*]

We have a realistic plan of action that will create 500,000 more jobs and reduce the deficit to a far greater extent than would the government's proposal.

Is the minister prepared to set partisan considerations aside? Is he prepared to give our plan of action careful consideration and create the jobs that are so important to Canadians?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, in response to the hon. member's question, he has to make up his mind. According to the document I read, I think the NDP's objective is to contain the deficit and not to reduce it. He talked just now about reducing the deficit.

The member also says that they have a plan for creating jobs. I think they are calling for the creation of 1.6 million jobs over a five-year period.

The Conference Board of Canada, on the basis of the current economic policies in place and the monetary and fiscal policies the government is following, has estimated that there would be 1,651,000 jobs created over the next five years. That is the Conference Board of Canada. That is about 51,000 more. Why is he being a piker about it?

Hon. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my supplementary question is for the Minister of Finance. The minister must admit that at least we have a plan, unlike the Liberal Party of Canada.

Some hon. members: Oh, oh.

Mr. Nystrom: I would like to ask the Minister of Finance to take a look at one of these specific proposals: the idea of creating 70,000 new jobs through a national day care system, a promise that was made repeatedly by the Conservative government across the way, a promise that has been broken repeatedly by the government across the way. Will he now look at a national day care plan and put 70,000 people to work in something that is needed in this country and do it right away?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, indeed there is a striking similarity between the NDP plan and the Liberal plan. That is why I call it a Chrétien II plan.

They are proposing a national infrastructure program. They are not saying how it would be paid for. They are talking about deficit reduction or deficit containment, and yet they are going to spend $6 billion to $10 billion on a new national child care program. They talk about the elimination of the GST which would force our manufacturing and processing sector to be in a non-competitive position again. They do not talk about how they are going to replace it.

They talk about abrogating the free trade agreement. Why would they want to abrogate the free trade agreement when it is one of the most important elements of our economic success? That is where the jobs are being created. That is where the initiative for growth is occurring. That is why the combination of the tax reform, the dismantlement of the manufacturers' sales tax, the free trade agreement, the North American free trade agreement, the tax policy and the investment policy are now starting to produce results. The Conference Board of Canada has recognized that.

* * *

ARTS AND CULTURE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, a funding crisis for over 400,000 workers in the Canadian arts and cultural industry has been created by this government. Today hundreds of artists stood out in the freezing cold, raised a petition on the wall of the National Arts Centre, called for no more cuts to the arts and asked for a positive, forward looking response from the government to the cultural committee's four-month old report requiring a response called *The Ties that Bind*.

Will the Acting Prime Minister stand and promise no more cuts to the arts? Will he commit to a positive response to the committee's recommendation that would strengthen Canada's national identity, properly financed through our Canadian cultural industries? Will he do that today for Canadian artists?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, the communications and culture portfolio's adjusted total appropriations in 1992-93 are $2.3 billion. Even with the reductions from the February 1992 budget and the operational review exercise, adjusted appropriations for the portfolio in 1992-93 show an increase of $178.8 million over 1991-92 or 8.5 per cent, which clearly exceeds the level of inflation for the same period of 2.3 per cent.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, that is the most creative bookkeeping the arts, culture and Canadians have heard in a long time.

[*Translation*]

Parliament has passed the Status of the Artist Act which provides, among other things, for establishing a tribunal on professional relations. This was eight months ago. Unfortunately the government still refuses to make this legislation effective, thus denying artists the right to collective bargaining.

My question is directed to the Prime Minister and otherwise to the Minister of Labour. When will he make this legislation enforceable? When will he establish this tribunal? Is the government capable of keeping its word? Or is it going to maintain its present attitude, in other words ignore all artists in this country?

• (1440)

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I have made a note of the hon. member's question. I know the bill respecting the status of the artist was adopted by the House of Commons and by the other place. I am discussing the matter with the Minister of Communications, and as soon as we have a decision, we will be delighted to confirm that for the hon. member.

* * *

[*English*]

CRIMES OF VIOLENCE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, my question today is for the Solicitor General.

Many people across the country are angry about the number of violent crimes committed by people on parole. They feel that law-abiding members of society are being placed at risk by the parole system.

What is being done to ensure that the protection of the public is the most important factor in all decisions relating to the treatment and release of inmates?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, I want to say that I share my hon. colleague's concern about this issue.

Bill C-36 was proclaimed in December. Clearly the paramount principle in the legislation guiding the parole board in granting any form of conditional releases is the protection of society.

With Bill C-36 we also lengthened the time that violent and serious drug offenders spend in prison by delaying eligibility for full parole.

It is most important to make sure that society will be well protected by keeping those who represent a danger in jail for a longer period of time. We understand that and I think this is in Bill C-36. My colleague and I are still looking at this issue.

MAGAZINE INDUSTRY

Mr. Jim Peterson (Willowdale): Mr. Speaker, in the absence of the Minister of Communications, I should like to direct my question to the Minister of Finance.

Sports Illustrated thinks it has found a loophole in Canada's laws that are protected in the free trade agreement and in the NAFTA. This magazine plans to divert from the Canadian magazine industry large advertising revenues at a time when the industry is reeling from Tory economic policies.

Will the minister say no to *Sports Illustrated*, and to all other foreign publishers who seek to violate Canada's laws and to ruin Canada's magazine industry?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, if the hon. member would have been following the debate with U.S. magazine publishers and the government, he would have noted last week that, as this article says: "Ottawa warns U.S. magazines over ad inserts". That continues to be the case.

We fought very hard on behalf of Canada to keep the cultural context in the free trade agreement. I can assure the hon. member and this House that we will continue to maintain that position.

We are in discussion with representatives of Time Warner with regard to *Sports Illustrated* magazine. We have warned them of the existing rules and regulations that are in place. We have told them that they must abide by those rules and regulations, otherwise appropriate action by the government would be taken.

Mr. Jim Peterson (Willowdale): Mr. Speaker, the minister did not go far enough to say that if there were loopholes in the present law the government would bring in new legislation to plug those loopholes.

I also have another suggestion for the minister. As he knows, Time Warner is the American owner of both *Sports Illustrated* and *Time* magazine. This company is the one that is pressing ahead to subvert Canadian laws and to steal away Canadian advertising revenues.

Maybe the minister would be willing to consider ending the special privileges *Time* magazine now enjoys in Canada, of dumping U.S. content into Canada and

shipping millions of Canadian dollars to the United States.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the hon. member prefaced his question by saying if there are loopholes in the legislation. That is a hypothetical question and very difficult to answer because we do not know at this point in time what Time Warner intends to do with *Sports Illustrated*.

In discussions with Time Warner, we have asked them to deliver to us a detailed brief to tell us what their plans are. Upon receipt of that brief we will look at what they are planning to do, failing which we will wait until the first publication comes into Canada and then we will take the necessary and appropriate action according to the rules and regulations that are in place today.

* * *

INCOME TAX

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the Minister of Finance.

The Minister of Finance will know that many times in this House I have asked him and his predecessors to consider making the income tax system in Canada more progressive, particularly by creating new income tax brackets at the top end of the spectrum for people who are making six figures in this country. Many times I have received the answer that we cannot do this because we have to remain competitive with the United States.

Given that President Clinton has moved to create such a tax and such a tax bracket in the United States, will the Minister of Finance now consider making Canada's income tax system more progressive by doing what the NDP has been asking him to do for a long time and reiterated today in the statement by our leader?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if we take into account the provincial and federal levels of tax, the U.S. proposal that Mr. Clinton outlined last night would reduce the difference in the top Canadian marginal tax rate and the top U.S. rate. The U.S. proposals provide for a range from 40 to 47 per cent, while the top Canadian range would be something in the order of 46.1 to 51.9 per cent in 1993.

In effect, at that level our taxes are still considerably higher than the United States.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, President Clinton has asked wealthy Americans to make some sacrifice in order to bring around their economy and in order to reduce their deficit, a sacrifice that has not been asked of the wealthy in this country.

I am asking the Minister of Finance to reconsider the answer that he just gave me. On previous occasions I have asked him about the business and entertainment tax deduction which costs this country about $1 billion a year. I understand that President Clinton has apparently moved to reduce that kind of break in the United States, so the Minister of Finance no longer has the excuse that we have to remain competitive.

Will he consider eliminating that tax break here in Canada and freeing up $1 billion to create jobs in this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, when the hon. member talks about the loopholes and the wealthy not paying taxes, he really is in effect dealing in many respects with those people who utilize their lifetime capital gains exemption. Because of that there is a reduced tax burden. There is no question about that.

What I think the hon. member is really suggesting in an indirect way or maybe even in a direct way is the fact that he would like to see the lifetime capital gains exemption removed. That is not the position of this government.

He would like to see the lifetime capital gains—

Mr. Speaker: We really will have to move on. The hon. member for Moncton.

* * *

NATIONAL DEFENCE

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is for the Minister of National Defence or whoever is going to speak for her in her absence. It concerns the closure of the Moncton base and depot.

I was pleased that the minister agreed last week in a statement to media in Charlottetown and Halifax to review the decision to close the Moncton depot.

Will she promise to the citizens' committee input into a review? Because the workers at the depot are on tenterhooks wondering whether they have a job or not, will the minister tell us when the review on the closure will be completed?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the Minister of National Defence is unfortunately not in Ottawa today. She indicates that she certainly is aware of the concerns of colleagues in the community, but the reality is that rationalization of DND structures is essential if there is going to be enough money to provide the equipment the military needs. As she indicated, she will in fact be discussing the issue with the community involved. If the hon. member wants more details, I am sure he can talk to the minister when she is back in Ottawa.

• (1450)

Mr. George S. Rideout (Moncton): Mr. Speaker, this minister and the previous minister have both indicated that the closure of the Moncton depot is to proceed quickly. Has the minister issued a stop work order on the closure of the Moncton depot pending the outcome of her review, or in light of her letter of February 4 is this promised review as hollow a promise as the $100 million expansion given by three previous Tory ministers?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I guess he had his supplementary written out before I answered his first question. I do not think I have anything more to add.

* * *

ABORIGINAL PEOPLES

Mr. Jack Iyerak Anawak (Nunatsiaq):

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

[*English*]

My question is for the Minister of Finance. The aboriginal people of Canada, including the Innu of Davis Inlet, have identified control of their own lives and preservation and enhancement of their languages and cultures as priority goals.

Given the desperate social conditions in aboriginal communities nation-wide, why is the government in this international year of indigenous peoples about to cut aboriginal language, culture and communications programs by as much as 10 per cent?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I appreciate the hon. member's question, but I imagine he is also aware of the general situation in this country. Government decisions are made with that situation in mind, and not on the basis of one particular sector. I think he should remember that when asking his question.

[*English*]

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, with respect to control, the Innu have expressed their desire to establish a bilateral relationship with the federal government without the province in between.

The premier of Newfoundland has expressed a willingness to discuss this. Is the federal government prepared to enter into direct bilateral negotiations with the Innu in relation to the Innu getting control of their own lives?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I think the government and the Prime Minister made considerable progress in 1990 on Native issues, and subsequently—especially in 1992—the Prime Minister worked very hard to ensure that Canada's native people would have their place in the Canadian Constitution. Once again he did a remarkable job.

That being said, to respond more specifically to the hon. member's question he must realize that the way the Canadian Constitution and our statutes are drafted means that we must work as a team and consult with the provinces on certain issues. That is the philosophy which guides this government and my department in helping to improve the well-being of native people and Innu across the country.

* * *

[*English*]

LUMBER EXPORTS

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, in view of the absence of the minister of external affairs and the international trade minister, the

two ministers involved, I would like to put this question directly to the Deputy Prime Minister since it does involve international relations and a disaster about ready to happen unless the government takes a little stronger action than it has taken to date.

I am referring to the European Common Market non-tariff barriers on the importation of Canadian lumber.

I know there was a delegation in Ottawa the other day. I hope that delegation met some of the members of the Tory government caucus and that it may have been discussed in caucus.

I think the Deputy Prime Minister must know that the effective date of this non-tariff barrier that affects $1.4 billion worth of trade is June 1.

What is the government going to do about the lack of response on the verbal note, the protest note, that was sent on September 4? We still have not had a reply from Europe.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the Minister for International Trade has protested what the hon. member is complaining about.

There are intense communications going on now. I expect we are going to have a favourable reaction to what we have proposed to the Europeans.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, my question is for the Deputy Prime Minister and/or to the minister of small business or whatever.

We are talking about trade. This House is preoccupied with NAFTA, unemployment insurance and many other important things. These are people who presently have jobs in a very precarious part of Canada, the Atlantic region, eastern Canada, and parts of Ontario. I ask the government if it is action to sit for five months when in the arcane world of diplomacy there is a protest note and you have not heard a reply. As I understand it, it is because five ministries are involved in Ottawa—

Mr. Speaker: I think the hon. member has put his question. The minister may wish to respond.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): The Minister for International Trade is heading up the team and progress is being made. I would like the hon. member to know that we are hopeful of a successful resolution of this.

I would also like to remind him that today export figures came out indicating that our trade surplus, not just with the United States which is up a record amount, 8.8 per cent to $17 billion, but with the rest of the world which is now over $9.6 billion, the highest it has ever been in Canadian history.

* * *

EMPLOYMENT

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is addressed to the Acting Prime Minister. One of the things that the New Democratic economic statement recognizes is that joblessness and the empowerment of Canadian workers in a knowledge-based economy depends upon a very much greater emphasis being put on training and education, from day care to the doctorate, if we are going to thrive and create jobs in the modern economic circumstances in which Canada must compete.

My question to the hon. minister is this: Is this government prepared to recognize that it must put far greater emphasis on creating the context for workers in this country to be much better trained, much better taught and have greater opportunities to learn, to create jobs as a most effective attack on the deficit, rather than using the deficit as an excuse for doing nothing?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I certainly agree with the hon. member. That is why under the science and technology envelope we are spending $5.9 billion on research and development through the universities and the granting councils. That is why we are spending $3.8 billion on training and skills upgrading and retraining programs. That is why we have established the network of Centres of Excellence. That is why we are increasing the funding to the Industrial Research Assistance Program. That is why we are committing $250 million over five years to lever a national private sector driven training effort. That is why the government is developing tax incentives to help defray the cost of training workers to the occupational standards set up by the councils. That is why we are committing—

Mr. Speaker: This is of great interest and I know the hon. minister might want to send a note. The hon. member, a short supplemental.

Mr. Howard McCurdy (Windsor—St. Clair): The fact is that expenditures on training and education and research and development are inadequate in this country. In the president's economic statement of last night he indicated that there are going to be sharp cuts in the expenditures on the space program.

Mr. Speaker: I do ask members and ministers to co-operate. We are getting close to the end of Question Period. I have asked that questions be put succinctly and as short as possible and that the answers be the same.

Mr. McCurdy: My question, Mr. Speaker, is this: There are going to be hundreds of millions of dollars over the next decade saved by a cutback in the space program. Will he use this money and the money saved from abandoning the helicopter program to double investment in the Industrial Research Assistance Program and double grants to universities and colleges so that they can carry out research and increase their level of research in this country?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): The Canadian Space Program is perhaps the jewel in the Canadian science crown in terms of producing high-tech jobs. I am surprised that the hon. member wants to do away with the Canadian Space Program. I am shocked. Tens of thousands of jobs.

In the president's speech last night three things were reaffirmed by his science adviser: First of all, the program will continue. It will be streamlined. What they do they will do in consultation with their partners, Canada included.

* * *

• (1500)

FORESTRY

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, the Ontario NDP government has recently announced that it is cutting its tree seedling program from $170 million to $110 million per year. This is a whopping 35 per cent reduction. It is obscene.

What is the federal government going to do to rectify this more than deplorable situation?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I think that is absolutely awful. We will look into it right away.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, moreover, in 1989 the Prime Minister tabled in the House the bill to create the forestry department.

Then he added much importance to the concept of sustainable development. How can this government stand by idly today and allow the Ontario government to regress on its reforestation policy?

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, I would like to remind the hon. member that our government's Minister of Forestry is very respectful of fields of jurisdiction. My colleague knows very well that reforestation is in provincial jurisdiction. Nevertheless, in 1991 we signed a $50-million agreement with the province of Ontario to promote sustainable forest development. The Government of Ontario and the federal government, through the Department of Forestry, put over $30 million into technology transfer and I think this is a considerable contribution of our government to the province of Ontario.

* * *

ICE JAMS

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, my question is for the Minister of Transport. For several days, an ice jam on the St. Lawrence River at Tracy has threatened to flood properties along the river in several municipalities, including Repentigny. Some have said that these problems are due to the failure to install ice booms this year.

Could the minister give us some indication of where matters stand now and explain why no ice booms were put up this year?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I would like to inform my colleague that the question is important because several municipalities along the St. Lawrence River are affected by this situation. I must tell him that a few days ago, we had at least five ice-breakers working to remove the jam and the operation was successful. The situation should now return to normal very quickly.

We did not install ice booms because observations made by the Coast Guard in recent years showed that they were not effective.

* * *

[*English*]

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw the attention of hon. members to the presence in the gallery of Mr. Varaztad Avonyan, member of Parliament of the Republic of Armenia and General Secretary of the Parliament.

Some hon. members: Hear, hear.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Mr. Doug Fee (Red Deer): Mr. Speaker, I wish to take advantage of this opportunity to correct an erroneous impression that may have inadvertently been made during Question Period.

During the preface to his question, the member for York North implied that changes made to the unemployment aspect of what is now Bill C-113 were introduced as a concession to a Quebec caucus.

Mr. Speaker: I am sorry. It may be a very important point and it may be an exact point, but it is a matter for debate and is not a question of privilege.

* * *

POINT OF ORDER

CANADIAN WHEAT BOARD APPOINTMENT

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I rise on a point of order.

On February 12, this month, the Minister of Agriculture announced the appointment of Ken Beswick as Commissioner of the Canadian Wheat Board.

Since that time, Mr. Beswick has given interviews in the role of commissioner. No Order in Council has been tabled in this House. As late as just a few minutes ago, my office checked with the Privy Council Office and no such order has been issued.

I would like to know what is going on. Is this a charade? After all, we have a man parading around as a new Canadian Wheat Board commissioner but there is no Order in Council. As you know, Mr. Speaker, certain members of this House have responsibilities regarding the Canadian Wheat Board but we have difficulties carrying out those duties because of the incompetence of this government.

Why has the minister made the announcement—

Mr. Speaker: The hon. member has made his point. I am prepared to consider it. Is there any reply?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Quite frankly, Mr. Speaker, yes, there is a reply.

To begin with, that was not a point of order. It has nothing to do with the order of the House. There is nothing that this gentleman has done, at least by what I heard, that was disruptive to the conducting of business in this House or in any way reflects on the order of the House, which points of order are supposed to be all about.

From what I understand of the gentleman in question from all concerned, he would make an outstanding commissioner of the Wheat Board and I am sure the hon. member from Winnipeg is looking forward to his appointment as I am.

Mr. Speaker: I have some concern as to whether it is a point of order, but I will consider the representation made and I will report back to the House.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am wondering if the government House leader could give us the House business for the remaining part of this week as well as next week. While he is on his feet, perhaps he could also indicate when the next supply day might be.

Third, can he confirm for the House that the tabling of the estimates will in fact be next Thursday, February 25? In view of the break in the calendar could he indicate to the House the date and timing of the throne speech which has been intimated in previous conversations by numerous individuals on that side of the House?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, in terms of business this afternoon we will proceed with second reading of Bill S-8, the Motor Vehicle Act, which we hope we will be able to consider during the course of debate and proceed with all stages of this bill. I understand there might be a consensus to look at that. In any event, my intent then is to go to Bill C-88. I understand there might be agreement among all parties to have report stage and third reading of this important legislation passed.

Tomorrow we will complete third reading of Bill C-76, the Budget Implementation Act. On Monday I hope to complete second reading of Bill C-110, the Northumberland Strait Crossing Act, which is so important to job creation in New Brunswick and Prince Edward Island by this important infrastructure program. Since all parties are in favour of infrastructure investment, I am sure they will be anxious to pass this bill to show that their views expressed about infrastructure investment are factual and not simply for effect.

On Tuesday morning we will commence second reading debate on Bill C-92, the income tax technical bill. In the afternoon we hope to complete second reading of Bill C-101, the Canada Labour Code Act. If time permits we would also like to have second reading of Bill C-101, the Criminal Code Act dealing with radio communications, protection of privacy and so on.

As usual, I will carry on discussions with House leaders in terms of other business.

In regard to a supply day, given the way yesterday's supply day was used, I am surprised that there should be so much interest in getting another one, but the rules spell out the number of required supply days. However, I also have a lot of legislation which failure to pass is costing the taxpayers a lot of money. I would like to get the co-operation of opposition parties to pass this legislation to save the taxpayers money. Then of course we could look at supply days and in fact other interesting debates on subjects that would be of interest. Our first priority has to be the concern for the taxpayers who are paying unnecessarily because of the delay in the legislation.

It still is the government's intention to bring the Main Estimates on Thursday, February 25.

In terms of a throne speech, stay tuned, you will be enthralled and on your feet applauding vigorously.

Mr. Dingwall: Mr. Speaker, just so the government House leader and members of the House are not in the dark, the hon. House leader of the government knows full well that those of us in the opposition have been attempting to try to co-operate with the government where we can. However, it is not our fault that the government is waiting so long to call Bill C-110 which it says is of great importance as well as other legislation. When it does pass second reading I would hope that ample opportunity would given at committee stage to have a full airing of the legislation. Although it may be important, it is important for Canadians to have a full debate of those subject matters. I hope I can get an undertaking from the government House leader that he will instruct his colleagues in that regard.

• (1510)

Mr. Andre: Mr. Speaker, in reply to that comment, the one thing those who observed this House and expressed such disapproval of its conduct have not said is that we do not debate enough. The one thing they do say is that too often the debate is irrelevant.

I can assure the hon. member that all members on this side are always interested in good, productive, constructive debate, suggestions, ideas, comments and so on. At some point in time we have to allow things to come to a vote. All I am appealing for is to allow that to happen in a timely fashion so that we can use the rest of our time debating subjects of the opposition's choosing and other areas not directly related to the legislative program of the government.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, when the government House leader reported on House business he suggested there might be an agreement to consider Bill S-8 at all stages today.

To my knowledge—and in addition to being the Whip I am the critic—there have not been discussions to do anything more than facilitate second reading approval today. Then off it goes to the transport committee for the normal review, not necessarily for a long time. Certainly I do not want the House to misunderstand the agreement which, as far as I know, is only for second reading today.

Mr. Andre: Mr. Speaker, obviously we cannot proceed any further without the agreement of everybody in the House. Since the agreement is not forthcoming that is it.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I understand by divine telepathy that there have been discussions among the House leaders, but not being party to them I should like to ask in the open court here of the House of Commons just where the electoral reform bill stands.

As the government House leader and anyone who read the commission report will know, there is a fundamental discrimination in the present election law adverse to Independents raising money and giving tax receipts, which is a pretty fundamental part of the whole election process. Frankly it is something I should have taken to the Supreme Court last year. I would have won but I did not have the money at the time.

I think the government intends to bring in a whole bill and is trying to get the agreement of parties. I indicate to the government House leader that other members and I—in fact we all do—have a very real interest in the bill.

Are we going to see it before the break in March, or is it going to come in after March? I should like some idea of a timeframe.

Mr. Andre: Mr. Speaker, I am very hopeful I will be able to get a draft copy of it within minutes. Hopeful is the operative word, not sure.

With regard to the question the hon. member raised, a committee of the House has been looking at amendments to the electoral act for some months. There are some things on which there is a consensus among all parties that would be useful to put in place and that require the Chief Electoral Officer to have a long lead time before he can do them. The first bill that will be coming forward will actually deal with those subjects.

The question of the rules with respect to funds, tax deductions, allowable limits and so on is something that literally could be agreed to on the eve of an election and be implemented during an election.

It is my understanding that the committee is now working on those and expects to have a report on that within weeks, not months. That second tranche of amendments would also be brought forward as a bill.

It is certainly the desire of the government to have these changes in place prior to the next election. A lot of money was invested in the Lortie royal commission on electoral reform and there have been many months of hard work by members of this House of Commons. It would seem to me a disservice to everybody concerned if we did not get these changes passed and in place prior to the next election.

[*Translation*]

Mr. Louis Plamondon (Richelieu): On the same bill, Mr. Speaker, I have the same reservations as the hon. member, especially when we consider an article that appeared in *Le Soleil*. It says that instead of providing for comprehensive changes in the bill, the proposed amendments seem to be taking aim at members of the Bloc Quebecois and Independents, in that these members would lose their right as the candidates having received the most votes to monitor enumeration proceedings. Similarly by abandoning phase two of the bill we would also lose air time on television and radio.

Will the minister confirm that if there is electoral reform it will be across the board? In fact his party made a formal commitment to improve electoral practices. This commitment was mainly to restrict spending by big corporations and so forth, not to a mini-reform leading to partisanship or the form of dictatorship we see in certain countries, and ensuring that specific parties, not democratically elected representatives, control the electoral process.

[*English*]

Mr. Andre: Mr. Speaker, as I said earlier, this whole set of reforms comes out of the Lortie commission and has been studied by a committee of the House.

The government has not come forward with a set of proposals and said: "Here are the government's proposals". What has happened is that a committee of the House has examined the recommendations and has come up with a report. All the government did in respect of that report was check it out to see whether the Department of Justice would okay certain amendments as to whether they agreed with the charter of rights.

They should not accuse the government. I know certain interests have been suggesting that the Prime Minister was behind the business of spending limits and so on. The Prime Minister has never expressed an opinion on that to me. I do not know what his opinion is.

This is an initiative of the House of Commons and it is a consensus of all parties. I cannot guarantee at the end of the day that it will have 100 per cent approval of each and every member of the House. I can say with some assurance that if there is significant opposition by significant numbers of members it probably will not go through. These are the rules for running elections. It has to have the approval of members of the House of Commons, and that is what we are seeking.

I remind the hon. member, as I said to the member for Annapolis Valley—Hants, that there are three tranches. The big issue and the first one, quite frankly, is the question of allowing Canadians who are not in their constituency or not in the country on election day to vote with special ballots. It requires about six months for the Chief Electoral Officer to put them in place. That is why it is separated from the second issue of spending limits and so on which the committee is working on. I am expecting a report very soon.

Miss Deborah Grey (Beaver River): Mr. Speaker, I rise on the same point of order. I would like to make a couple of comments regarding some of the issues we have been speaking about. The member to my left spoke about the whole situation of spending limits and making sure that radio and television time had been paid for and distributed fairly. This is something I have had particular interest in and Canadians have been watching. It would seem that someone in power—

The Acting Speaker (Mr. Paproski): I regret, but this is debate. I do not think we should get into that. If the member has a question for the House leader I ask her please to put it.

Miss Grey: My question revolves around volume VI of the report of the Electoral Commission. I do not have it with me, but it is the one about women and spending ceilings for nomination meetings. I heard from members of the committee that actual legislation was written up.

The commission was obviously aware that legislation was difficult. It took the time to write up an actual piece of legislation. I am just wondering at what point it is. Will it be used? Will it be paid attention to or will it be nixed?

Mr. Andre: Mr. Speaker, I have to suggest the hon. member should go to the committee that is looking into it because she is asking technical questions.

I do not know. I am not a member of that committee. I am reacting to the report of the committee. The first tranche does not deal with that kind of question as far as I know.

However, if the member wants to get into the details of the Lortie report and the committee's activities, she should attend the committee meetings.

Mr. Plamondon: Mr. Speaker, I rise on a point of order about this subject.

[*Translation*]

It is about this bill.

My rights and privileges as an independent member will be violated in the report that is to be tabled. The newspapers mentioned this. I want to make sure of the bill and the complicity of the three major parties. It never mentioned the Bloc Quebecois. It referred to the three major parties. They have agreed to violate the rights of independent members and members of the Bloc. This is a serious matter. Mr. Speaker, and it is your responsibility to investigate this.

• (1520)

[*English*]

Mr. Dingwall: Mr. Speaker, no one minds hon. members asking questions of the government House leader with regard to the business of the House. In point of fact the government House leader responded in full to the questions which have been put to him.

An hon. member: Oh, oh.

Mr. Dingwall: You may not like the answers, but nevertheless there were answers.

The second point is that the hon. member has used the term complicity. We in this House all know the connotations of that word. It impugns the motives of all hon. members of different political parties.

I would hope, Mr. Speaker, that you would do some reflection upon the intervention made by my colleague. I do not think it is necessary. I do not think it is appropriate. I do not think it is fair to members of the House.

The Acting Speaker (Mr. Paproski): I agree with the hon. member.

If the hon. member wishes to withdraw and drop the debate, I would ask him to withdraw his statement. Does he wish to withdraw?

[*Translation*]

Mr. Plamondon: The hon. member was disturbed by the word complicity. I am willing to explain the meaning I had in mind when I used it, but I will withdraw and use another word. Mr. Speaker, just a minute; let me finish. You are very patient with other members but seem to be very impatient in my case. If I use the word—

[*English*]

The Acting Speaker (Mr. Paproski): I think I have been very patient with the hon. member. I wish he would come to the point. If he has a further question to ask of the government House leader, then he should ask it, put his question.

[*Translation*]

Mr. Plamondon: My question is as follows: Will the bill violate my rights as a member and as a winning candidate by prohibiting me from monitoring the enumeration proceedings and giving that right to the party with the most votes? These are my rights and that is why I am saying that, like in the last referendum—

[*English*]

The Acting Speaker (Mr. Paproski): This is not a question. It is debate. Orders of the day.

GOVERNMENT ORDERS

[*English*]

MOTOR VEHICLE SAFETY ACT

MEASURE TO ENACT

Hon. Jean Corbeil (Minister of Transport) moved that Bill S-8, an act to regulate the manufacture and importation of motor vehicles and motor vehicle equipment to reduce the risk of death, injury and damage to property and the environment, be read the second time and referred to a legislative committee in the Economics envelope.

Mr. Angus: Mr. Speaker, I rise on a point of order. Just before the minister rises to speak on this bill, there have been some discussions among the three parties. Because of an overlap of the transport committee sitting simultaneously with this bill, the member for Davenport who will be speaking on behalf of the Liberal Party has graciously agreed to switch places with me, provided that he has the normal amount of time that would be allocated had he spoken in the normal order; in other words, whatever the Standing Order provides for the second speaker.

I will speak for 10 minutes at the most. The order will be the Minister of Transport, followed by myself, followed by the member for Davenport.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some hon. members: Agreed.

[*Translation*]

Mr. Corbeil: Mr. Speaker, I am very pleased to open the debate on second reading of Bill S-8, an act to amend the Motor Vehicle Safety Act. This bill is an update of existing legislation and combines two acts, the Motor Vehicle Safety Act and the Motor Vehicle Tire Safety Act, that are now in force.

I would like to put this bill in context by noting that in the 20 or so years since the original acts were passed, we have incredibly seen a reduction in the number of traffic fatalities despite a doubling of the number of vehicle registrations. Even with these remarkable improvements, road accidents cost Canadians more than $6 billion each year in lost working time, health care, property damage and legal actions. This economic reality does not count individual pain and suffering. The new Motor Vehicle Safety Act will play a major role in future safety improvements. There are exciting opportunities for vehicle design and manufacture, including anti-lock braking systems, air bag supplementary restraints and improved side impact protection.

An effective regulatory program will ensure that these measures and many more are available to Canadians as soon and as widely as possible.

The bill seeks to make the process of regulation development more responsive to changes in industry and international standards. Nowhere is that more evident than in areas that touch on our concerns for the environment. The new legislation provides us with the ability to incorporate complex technical standards for a dynamic industry at the leading edge of technology, as fast as they are implemented anywhere in the world.

Harmful emissions from motor vehicles have been the target of considerable attention, within the restrictions of our existing legislative framework. The new act will make us even more responsive.

Better combustion through elaborate sensors and electronic control, improved after treatment with new catalyst designs and on-board diagnostic systems to warn of and identify emission control failures all offer cleaner vehicles in the future.

The bill provides for phase-in of standards and for a system of emission credits, providing Canadian industry with the same flexibility to plan compliance as is offered in the United States.

The emission credit system proposed in the bill will allow standards to be set that more evenly challenge industry to achieve the tightest possible emission targets. Averaging, banking, trading and civil penalties, components of the credit program, are all contained in the bill. These authorities will allow Canada to apply parallel standards with the same force as those in the United States and other jurisdictions.

Another area that witnesses discussed during the committee hearings in the other place concerned vehicles purchased in the United States for importation to Canada.

[*English*]

First I want to absolutely assure this House that the authority provided by this bill will be used to establish an effective process to see that all such vehicles meet our over-all Canadian safety standards.

Second, any regulation emanating from this bill will be consistent with the Canada-U.S. Free Trade Agreement and will seek to ensure that there are no anti-competitive repercussions for the Canadian motor vehicle industry including manufacturers and dealers.

Third, Transport Canada will take action to see that a system is developed so that a manufacturer's notice of defect campaign for U.S. vehicles will also provide notice to any Canadian owners of those vehicles.

I have been necessarily extremely brief today. Nonetheless, I believe you will find that the bill contains the detailed changes necessary to enable the Motor Vehicle Safety Act to provide the efficient technical regulations that will meet the future needs of Canadians for the best available vehicle safety and emission control technology.

I look forward to discussion of this important legislation which I believe benefits us all.

I would like to conclude by asking for the consent of the House to amend the original motion to refer the review of this bill to the Standing Committee on Transport. I hope you will find such consent.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

Motion agreed to.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, before I begin, let me once again thank the hon. member for Davenport for agreeing to change the rotation so I could speak on this bill before I have to go to the Standing Committee of Transport where this bill will be going.

I want to thank the members of the Thunder Bay Association of Automotive Trades for the assistance I received in reviewing this bill. I would particularly like to thank Glen Harmer, who is the president of the Thunder Bay branch as well as the national president. I also want to thank a member of the Thunder Bay police force who was there at my request and with the permission of the chief. Bill S-8 deals with a number of relatively minor but important elements in the Motor Vehicle Safety Act. They are gaps that have been in the system that the government is wisely moving to correct.

• (1530)

There are new child restraint safety regulations so they can control that add-on. They can ensure that if there is a recall there is consumer registration, et cetera. Another positive move is the government's ability to control the standards for all-terrain recreation vehicles.

Too often we find that a vehicle that was bought for the bush is used on the roads. It may be in unsafe condition and whether it was used illegally or not it is appropriate that we control the manner of the manufacturing. The increase in fines for corporations from $200,000 to $1 million and for individuals from $5,000 to $10,000 is also quite appropriate. It brings it in line with some of the other acts we have passed in this House.

We may want to look in committee at putting some kind of COLA clause in there; a CPI link so we do not have to amend that part some time in the future.

There is the whole question of emission credits and averaging. I am not going to go into any detail but we have looked at that. We think it makes sense within the automotive industry. We do not believe it is necessarily the answer for smoke-stack industries. Within the automotive sector it will allow for implementation of clean air controls without harming the economic viability of the companies or forcing them to scrap equipment that is already on line but due to be phased out within a year or two.

There is also the ability to follow up if there is an imperfection in the manufacture of a pollution control element of an automobile. You can do a recall on that. Currently, as I understand it, the act does not provide for that opportunity.

There are a couple of areas I want to focus on that have been raised with me, not just in the context of this bill but in the context of the need to ensure that whatever is on the road is safe.

I want to start with what I will refer to as wrecks. These are cars that have been totalled and normally end up in the junk yard. We have a lot of folks in this country and I suspect in the United States who take those cars, cannibalize them, recycle them if you like, and in a lot of cases those recycled cars are not as safe as the new cars. I am advised if you weld the frame on a vehicle and it is not done right, in an impact you are actually jeopardizing the lives of the occupants or the occupants of the vehicle with which you have collided.

Under the Constitution at the manufacturing end it is the federal government's responsibility. Once the car or truck is built anything beyond that is the responsibility of the provinces. We need to find a way to impose a national standard on the provinces. One of the ways suggested in this bill is the use of a national safety mark. Whether it is a tire or a vehicle built according to Canadian federal standards developed under this act, they will get a safety mark that says this is a safe vehicle. It will be similar to the CSA putting a tag on our appliances because they have passed with approval.

I want to explore this concept in committee. If a vehicle has the national safety mark and is wrecked, we have to be able to remove that mark and develop a system so that before that vehicle can be put back on the road it must go through some kind of process to make sure it is a functioning automobile that is structurally sound.

The province of Quebec, I understand, has a system whereby if a vehicle is wrecked and someone wants to put it back on the road when they go into the licence issuer they have to bring a photograph of that vehicle on what is called a full-body frame. Instead of somebody repairing the vehicle in the back yard it proves they have gone to an authorized repair facility which uses the most up-to-date equipment and has the knowledge of the integrity of the structure. They can therefore assure the licence issuer that this vehicle complies with, in that case, Quebec standards. I would like to see us do that on a national basis.

We have all seen these folks in our communities, at least in the rural and northern communities, who decide it is really neat to put tires on a car or truck that are five or ten times the size of what is supplied at the manufacturing level. In other words, the vehicle has been redesigned by the owner and does not meet the safety requirements or certainly the manufacturer's requirements. I think we can use the national safety mark as a mechanism to prevent that from occurring. The moment they add those monster truck tires, they would lose that safety mark and the car or truck would not be certified by the provinces.

Under this act we are also managing the trade of used automobiles between Canada and the United States. Under the free trade agreement, American-produced used cars are able to come into Canada. Until the free trade agreement very few cars came across. This bill sets out the requirements for those vehicles. They must meet Canadian standards. It is a way of managing this particular trade deal until the FTA is abrogated, but that is for another debate at another time.

It is designed to ensure that any vehicle imported meets Canadian standards, U.S. safety recalls apply and there is a consistency of labelling.

I would like to suggest there is a gap in this particular aspect as well. If I went to Duluth, Minnesota, bought a used car and brought it to the Canadian border I would only have to sign a declaration at the border that I was going to get any deficiencies fixed. There is no provision to ensure that those changes are done by the appropriate personnel. I could do them in my own back yard, or I could just say I had done them. I think we need an amendment to ensure that anyone bringing a vehicle across the border has to take it to a body shop, if it is something like a bumper replacement or a service station.

In Ontario there are various types of licences issued to certified mechanics licensed by the province of Ontario, and I am sure it is the same in other provinces. Let us make sure the vehicle goes through some kind of third party who can attest to the fact that the work has been done and the vehicle is safe to drive in Canada.

The final point I want to make concerns the question of wrecks coming here from the United States. Under this act wrecks will be allowed in. I argued that any Canadian wrecks should go through some kind of certification process and I believe American wrecks should be forced to undergo the same process as well. That may be another way we can set a national standard that is easily adhered to or adopted by the provinces.

Those are the areas I will raise in committee. There may be one or two witnesses we wish to call. I think this bill is an important one and it is not my intention to drag out the committee review, but I think we need to take a specific look at some of these elements so we can improve the bill.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, on this side of the House we would like to congratulate the senators for initiating this measure. It is a bill that will obviously help clear the air in our Canadian cities and rural Canada. It is a measure that is badly overdue which has been promised since 1989.

In our presentation today we would first like to examine what is generally understood about car emissions and put that into a particular framework.

• (1540)

Generally speaking, there is an impression that so long as car emissions are diluted they are not damaging to human health. Therefore idling a car, for instance, or accelerating, excessive burning of fuel in other words, is something that one should not pay too much attention to because it will dissolve and go up into the air.

This notion has to be dealt with because the emissions from a car contain a number of extremely dangerous substances. Therefore, the motor vehicle is a very convenient means of transportation that burns substances that are profoundly poisonous and dangerous to human health and to certain types of crops and agricultural activities, which I will mention later.

In examining the environmental damage, one finds out that the combustion of fossil fuels has an impact on the question of climate change, particularly because of the production of ozone. There is also the production of heavy metals and the pollution that is attributable to the toxic substances contained in gasoline and other transport fuels.

It is a well-known fact that the burning of gasoline and petroleum products through motor vehicle engines does contribute to the creation of smog, particularly from cars. The formation of smog in the urban setting and also in densely populated areas outside the urban setting can lead and has led to damaged crops and to poor quality air in our urban centres; so much so that sometimes in the summer there are excessive measurements of pollution in the cities, which in good part is attributed to ozone and other forms of pollution emanating from motor vehicle activity.

The substances in question are carbon monoxide, nitrogen dioxide, ozone, toxic chemicals, lead, benzene, formaldehyde and polyaromatic hydrocarbons. In essence, carbon monoxide interferes with the blood's ability to absorb oxygen and it impairs the perception and thinking ability of humans. It has the capacity to slow reflexes. It can cause drowsiness, and in high concentrations it can even lead to death.

Nitrogen dioxide can increase the susceptibility to viral infections such as influenza, irritate the lungs, and cause bronchitis and pneumonia.

Ozone is one of the pollutants formed by the burning of gasoline and related substances. Ground level ozone irritates the respiratory system, causing coughing, choking, impaired lung functioning, reduced resistance to colds and possibly pneumonia. In some cases, the medical profession has identified chronic heart disease, asthma, bronchitis and even emphysema as being attributable to the burning of gasoline and related substances.

In the case of toxic emissions and metals one must underline the importance of the presence of lead in gasoline. In Canada we have reduced the amount of lead in gasoline in recent years. We could still further reduce it to the standards the Americans have reached and thus improve the quality of air and the health conditions of our population, particularly of children. Other chemicals that are found in gasoline are cadmium and asbestos, which collect on the roads through the wear and tear of tires, through the activity of brakes and the use of clutches and the wearing of clutch linings.

That can cause nerve damage in children and even in expectant mothers. Cadmium is suspected to cause cancer. With regard to asbestos, although the question is hotly debated, it may cause lung cancer.

This background is simply intended to put on record and demonstrate the fact that we are dealing with activities dangerous to human health and the environment. We can now briefly analyse the substance of the bill.

The requirements in the bill for the reduction of emissions would allow us to achieve new standards which will reduce emissions by up to 60 per cent per kilometre driven. That is a welcome measure. Under the scheme envisaged in the bill new cars would produce .25 grams of nitrogen oxide per each kilometre compared to the present .62. That is reduction by over half.

The production of hydrocarbons will be reduced from .25 grams to .16. Carbon monoxide levels will remain unchanged.

The point of contention does not so much concern reduction, although it could be improved, as the timetable. The question is when this measure will come into effect, which the minister unfortunately did not answer in the course of his introductory speech.

In 1989 the then Minister of the Environment and Minister of Transport promised to have these standards incorporated in this particular bill by 1994. We find out today that these measures will instead come into effect by 1996, and this is a very disturbing factor. In other words, the government made a commitment with a target date of 1994 but now finds itself in the position of postponing the date of enforcement until 1996 because of the slowness in producing this legislation. That is highly regrettable, because it is at the expense of public health.

Another aspect of this bill that is a cause of concern is that the government, having promised binding regulations, has now produced a voluntary agreement by way of a memorandum of understanding with industry. This memorandum of understanding is not legally enforceable. We therefore find ourselves in a situation in which what is being proposed through the legislation and subsequently through the regulations may be implemented but may not be. It will depend on the good will of the parties concerned.

That approach leaves much to be desired. A piece of legislation should instead be passed by the Parliament of Canada in the interest of public health which is written in a manner that gives an assurance to the public that what is contained in the bill will rather than may take place. The difference between the two can be considerable.

• (1550)

The third point that must be raised here today is the question of permitting the industry to average emissions. In other words, certain fleets and certain models of cars would be above permitted standards and certain others would be below and the average between the two, so long as it meets the over-all standards, would then be accepted. In other words, certain types of cars would be polluting more and certain types of cars would be polluting less.

This type of approach is not very clever and is not very good for human health or the environment. This point was stressed in a submission presented by the AirWatch program of the Canadian Acid Precipitation Foundation from Toronto. When it appeared before the Senate Legal and Constitutional Affairs Committee in June of last year it drew this particular question to the attention of concerned parties.

I would like to put on the record a paragraph from its brief that enunciates the position with which I concur:

> This bill amounts to legislative sleight of hand, which would allow the department and the industry to increase emissions by employing emissions averaging methods already rejected in the United States.

The averaging approach is the issue on which this non-governmental group focused in particular. It specifies the problem in the following manner:

Under a vehicle-by-vehicle standard, individual vehicles must each meet a certain emission standard. To do this, there must be a margin between the actual amount of pollution produced by each vehicle, and the standard, in order to ensure compliance and to avoid recalls. Under an averaging system, the same margin must exist for some vehicles, but other vehicles can be allowed to exceed the standards. Depending on where such non-complying vehicles are sold, how many are produced, and the amount by which they exceed the supposed standard, additional pollution can be produced, and air quality problems can be aggravated.

The point to be made, and it is an important one, is that instead of emissions averaging, as this bill proposes, we would urge the government to have standards that would be applied to each car, vehicle by vehicle. Then public health and environmental concerns would be met in a far superior and more satisfactory manner.

Another point that needs to be made in connection with this bill is the moot question as to the importation of used cars in the proposed NAFTA area. Suppose that used cars will be imported from Mexico and the United States. These cars would already be of a certain age. Whose standards would these imported cars be expected to meet? They will probably be quite cheap. They will be quite appealing. However, they could be highly polluting vehicles and their presence in the marketplace could constitute a considerable threat to air quality and human health.

The issue here is one of balancing a variety of interests. The government with respect to the economic aspect of this issue, another key point, has come down in favour of allowing in clause 8 of the bill payment in exchange for permission to increase tailpipe emissions.

In other words, what the government is proposing is the introduction of the polluter pays principle. That in itself would not be a bad thing if we were to know what the polluter will pay and how the funds collected by way of this principle will be used. Will they be earmarked for additional pollution reduction, pollution research and other initiatives that will help reduce pollution in that industry?

I would argue, and it is a point that needs to be made in this debate, that the polluter pays principle is all right if the fee to be charged will discourage the polluter. If the fee to be charged will be such that the polluter will pay his way into polluting in having paid that fee, that fee will not act as a disincentive. That principle will not be served and will not be implemented in the manner that it was originally intended by those who introduced it some time ago.

It should be clear that by charging a fee that is too low, you would just provide a licence to the polluter to continue to pollute. Under this bill, instead of charging a fee that is a disincentive to pollute, you would be applying the polluter pays principle in its original intent and meaning.

Therefore, it is incumbent upon us in the opposition to make this point in the hope that when the bill is examined in committee at second reading it will be given a thorough analysis. The section dealing with the matter of fees to be charged for vehicle emissions permits will be examined appropriately. The fees that will be charged for permission to produce excess pollution should be such that instead of becoming licences to pollute, they will become disincentives to pollute.

I am sure that there are members in this Chamber in all parties who would agree with this point. They would see the distinction between the two approaches.

To summarize our presentation, I will put it in those terms. We have a history of lagging behind the United States with respect to progressively implementing motor vehicle emission standards. This step is highly desirable and overdue. Second, we regret very much that the full deadline for implementation has been moved from 1994, as promised, to 1996.

The emission averaging as proposed in this bill, my third point, would result in increased vehicle emissions rather than in reductions. The alternative to this would be an enforcement of a vehicle by vehicle standard approach.

• (1600)

This legislation creates the authority for a vehicle manufacturer to pay fees in exchange for permission to possibly produce excess pollution. If that is going to be the net effect of this legislation, then this legislation regrettably will have failed its own purpose as set out in the preamble.

Having put these points in as concise a manner as possible and seeing that you would like to hear another voice on stage, thank you for your patience and your attention.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, in beginning my remarks on this speech, I would like to express my appreciation for the process that brings a very progressive bill like this one to us from the Senate to the House of Commons. I would like to pay tribute to the work of Senator Murray and Senator Oliver in the Senate who carried this bill through the committee and through the Senate and delivered it on June 19, 1992, for my birthday.

I hope for my next birthday on June 19 we will be able to have the regulations complete and the act in place, all in a good cause of cleaner air for Canadians.

This is an area in which I have considerable interest, quality of life issues, not just for the Fraser Valley where I live and where it is very important, but around the globe as a major issue that is carried forward by global parliamentarians on human settlements and particularly our emphasis toward developing sustainable cities programs.

The updating of this act is very significant because it reflects contemporary concerns regarding climate change and sustainable development. Therefore it is appropriate and not just for Canada. It is an initiative in co-operation with global discussions that came out of Rio and so forth.

This is of particular interest in the major cities of Canada, Toronto, Montreal, and above all Vancouver because greater Vancouver is located in the Georgia Puget Basin which is very akin to Los Angeles. Each of them is in a valley reservoir of rapid growth, confined geographically by mountains that produce air inversions. Along with ever increasing car emissions, over one million cars cross the bridges of Vancouver each day.

As we put these combinations of factors together, we do not want the Fraser Valley to become Los Angeles north. In fact that has to be a major fight, a major voice and a major reason why I stand here in the House of Commons.

The very basic essence of life is the quality of our air and the quality of our water. The quality of the airshed of the bioregion of Georgia Puget Basin, now with 4.5 million people, is intensely threatened daily as that population over the next 20 years doubles from 4.5 million to over 10 million people.

We do have in the greater Vancouver region a particular interest and concern that this bill be introduced, passed and more important, made effective. The nitrogen oxides, which are a key factor in causing ground level ozones, are released into our environment during the combustion of fossil fuels including gasoline, diesel, natural gas and coal. Nationally both nitrogen oxides and volatile organic compounds, which are the major contributing agent of ozone, are both projected to grow by about 6 per cent between 1985 and the year 2005. If no new controls are developed to combat this problem, more problem areas will merge throughout our country and our globe.

California needs credit here because California has realized this difficulty and has legislation in place to deal with the problem, including laws mandating the sale of minimum percentages of zero emission vehicles and the maintenance of supply of alternative fuels to power these vehicles at gasoline stations.

California also has credible marketable credits for exceeding emission requirements. These credits allow for the attainment of the over-all policy objective at a lower cost to society because of efficient gains reaped by market allocation of these credits. I am pleased to see that this legislation follows that basic idea.

Canada must follow this lead before it becomes too late to save our air quality, particularly in our cities. Our approach must, however, be somewhat different in order to deal with the jurisdictional realities and constitutional differences between our countries.

We must have not only action at our national level in this form but joint action with the provinces that would permit the problem to be addressed in a more comprehensive fashion and that is the effective approach that we should take.

Our cities will only be made sustainable if we can combine the constitutional and jurisdictional responsibilities of the national government, the provinces and of our local governments, including our regional districts.

We must change this format, but until we can change it, we must operate respecting those jurisdictions, as I believe this bill has done.

An approach I strongly believe that Canada should take to deal with this problem would be by encouraging the development and sale of either ethanol of electrical

powered vehicles. I am pleased that the research in this area is moving quite dramatically.

In fact, if you take the issue of electric vehicles, all the major car companies of the world are producing prototypes in this area. This prototype research is important and needs to be encouraged through incentives and of course through regulation and legislation.

When you think in terms of not just the research where in low emission vehicles, zero emission vehicles and electric vehicles there is encouraging results that are gained through vehicles like the Los Angeles car which is a combination of gas and electric, or some of the newer technologies that are looking at alternate fuels. Mazda, for example, is showing in Ottawa and Eastern Canada Day at the car shows. It is showing a rotary engine combined with a metal hydride fuel tank. This Mazda car uses hydrogen gas.

Nissan and others are working with liquid hydrogen fuel and the many other kinds of possibilities. All of these present particular problems. The particular problems they create are the problems of supply of fuel, whether that supply is found at the electrical level at residences or the need to have fuel supplied for whichever of the alternate fuels are required for the new vehicles, the new prototypes.

The method of approach in this bill I think is particularly useful. Bill S-8 proposes the use of emission credits as a tool for implementing tighter emission standards. Emission credits have been very effective incentives for encouraging manufacturers in California to produce zero emission vehicles.

The possibility of selling credits also encourages the development of desirable zero emission vehicles by permitting the recovery of some development costs from competitors.

I think the point that was made by the member for Davenport is a valid and interesting point that needs to be explored further and that is the question of how do you apply them? Do you apply them through averaging of vehicles or do you apply them on the basis of specific individual vehicles? This would vary from province to province according to the capacity of a province to have motor vehicle testing stations, if you are dealing on a vehicle by vehicle basis. Perhaps there could be an application in co-operation with the provinces. To start with the concept of averaging is appropriate and probably all we can achieve at this stage. However, I think we should look in the direction of ultimately testing individual vehicles as well.

• (1610)

This is an area of opportunity, an opportunity to consider the North American free trade agreement. President Clinton will sign the North American free trade agreement, but he has suggested parallel agreements on the environment. Vice-President Gore has been particularly strong in this area. It is an area where we can demonstrate leadership through this bill. In fact, the bill does have the flexibility to adapt to certification and international standards of other countries. This is a place where we could find agreement.

As the parallel agreement on the environment is established with the free trade agreement, we need to rationalize the various laws and regulations of all three countries; Mexico, Canada and the United States. There could be a tendency toward two things in this parallel agreement: to take the lowest common denominator of all of the standards of each of the countries; or to take the highest common denominator. In other words, we would take the strongest regulations from Canada, the strongest regulations from the United States and the strongest regulations from Mexico, and put those as the standards for the North American continent.

I hope we will choose the high road and the highest possible standards for the regulations for all three countries. I hope those will be established in a parallel agreement to be signed along with the free trade agreement. I urge that we proceed in that direction.

I hope also that in the free trade agreement those parallel agreements will mean that competition among the countries will be on a level playing field because, in fact, we are all playing to the same standards.

A second element of the free trade agreement parallel accord that should be developed in air and vehicle emission standards should relate to enforcement. We can write this law but if we do not have the capacity to enforce it through the testing of vehicles and through the co-operation with manufacturers, then we have nothing. It is like a constitution; it means nothing if it is not enforced and applied.

Therefore, the regulations that go with this act are extremely significant. I would hope that the regulations can be looked at in committee because if you pass the act and the regulations are not stringent, then you have accomplished nothing or very little other than a statement of principle and intent. If I had my preference, I would put in this bill that the regulations be known at the same time as the bill is passed. In fact the government is working on regulations on the basis of the bill that it has produced. Therefore, I would like to see consideration given to putting some of those main regulations in the bill.

I recognize that we do not want the regulations to be so inflexible that we cannot change the standards as technology allows us to change them, but I think it is something we will need to consider in committee.

This bill is not the end, it is but a beginning, the first stage. In addition to that is the implementation process of this bill, taking us from prototypes in each of the experimental automobiles to the fleet situation, a situation where you try it in a large group of cars and then finally the broad public market. Government can help in this area.

I will be proposing two private member's bills in companion to this bill which suggest, for example, when the Government of Canada and our Crown corporations buy new automobiles, a percentage of these automobiles should be low emission vehicles or zero emission vehicles. If we are spending billions of dollars and of those billions of dollars a good portion are automobiles, why should the government not set the standard by buying these and use the fleet system that is necessary to carry us to the next stage?

For example, when you buy a hydrogen gas car, you have to find a gas station that sells hydrogen. You cannot expect every station suddenly to have hydrogen. If you use it through the fleet process, Crown corporations and governments will establish a central depot that these vehicles operate from and then that can be the middle stage. The co-operation of governments is required and I will bring in a private member's bill in to that effect.

Second, the bill has a sanction of tax on vehicles that in fact will raise some money hopefully. The tax is a disincentive. I think we should also have incentives. While the government might feel this is a bit of heresy it is my view that as an incentive to introduce electric vehicles or alternate fueled vehicles we might allow an exemption from the GST.

If that kind of exemption could be given, it is a very high-profile exemption that says to people it is important to the quality of air that they should go out and buy one of these cars. To do that the Government of Canada will give the incentive right to the individual in the marketplace.

Second, we need a fast write-off for businesses. A business person should be able to get a write-off in one, two, or three years as opposed to five or ten years. Perhaps we would have a further incentive for business to go beyond the government corporations, the Crown corporations, to the business corporations and then to the individual in the market. I think we would have a considerable speed-up of moving from prototypes to reality and to a higher quality of air.

These are some ideas I have. This is pioneering the new world. This is pioneering the next century as we move to live in cities. Many of us are country boys with country values. We want clean air, clean water, a little green space in our cities. We want an efficient transportation system.

Would that I could will away my desire for a car but I am a North American male—and this would apply to the North American female—and when a North American male or female turns 16 the first thing they want, your children, my children, and me, conditioned or whatever it is, a car because a car is synonymous with freedom. You can try to defeat that and say to your son or daughter at age 16 "take a bus". Well you can try. You can try to say to yourself "take a bus" or get on the rapid transit. I think we need lots of support for rapid transit, but at the same time there is the reality of our passion for our cars. It is North American. It is Canadian. It is world wide. Look at China today, it is going from the bicycle to the motorcycle, to what is highly desirable after the television set and the refrigerator is the car. This is true everywhere in the developing world.

You can fight that value and try to condition that value by saying get on your bicycle, get on the rapid transit but it will only sell in part. Therefore we must deal with the issue of cars themselves and that means electric cars. It means hydrogen gas cars, hydrogen liquefied fuel cars. Look at Mohawk and the great ethanol movement. It deserves a word of credit. You can drive by a Mohawk

station in Vancouver and put ethanol in your car. These are the very positive kinds of initiatives that governments need to reward. We are never going to take the car off of our roads in our time because it is a special symbol of freedom for young people, of prosperity, affluence and so forth. Therefore, we are going to have to deal with these alternatives.

• (1620)

On that basis, this is a futuristic bill. It deserves the support of all of us. It deserves that we should all look forward to this bill, not in the context of safety as it used to be drafted—that is part of the bill—but in the context of can we continue to live in the 21 megacities of the world whose quality air is depreciating and the major factor in that depreciation is auto emissions.

Members of the House and of the Senate, this is a great bill to proceed with. We must make the regulations stringent. I look forward to a cleaner, better world because we met and had this debate today.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport.

The Acting Speaker (Mr. Paproski): Before I call Orders of the Day, 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 Fredericton—York—Sunbury—Old Government House; the hon. member for Parkdale—High Park—Job Training; the hon. member for Notre-Dame-de-Grâce—Employment; the hon. member for Cape Breton—East Richmond—Health; the hon. member for Moose Jaw—Lake Centre—Agriculture.

COPYRIGHT ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-88, an act to amend the Copyright Act, as reported (with amendment) from a legislative committee.

Hon. Marcel Danis (for the Minister of Communications) moved that Bill C-88, an act to amend the Copyright Act, as amended, be concurred in.

Motion agreed to.

[*Translation*]

Hon. Gerry Weiner (for the Minister of Communications) moved that the Bill be read the third time and passed.

Mrs. Nicole Roy-Arcelin (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I welcome the opportunity today to lead off the debate on third reading of Bill C-88, tabled in the House on June 18 last year, whose purpose is to amend the Copyright Act.

The bill reflects the main objective of the Copyright Act, which is to protect creative activity. When we say copyright, we no longer refer exclusively to printed works. Today, creative works are transmitted in a multitude of ways, as a result of the incredible technologies that have been developed in the past 20 years.

By amending the Copyright Act, we are trying to adapt the legislation to the present context. There have been radical changes in recent years, while the wording of the legislation remained practically unchanged from 1921 to 1988.

Bill C-88 proposes to amend a number of definitions contained in the Copyright Act. More specifically, it proposes to replace the obsolete definition of the term musical work, redefine performance and clarify the definition of the term network in order to determine who pays what to whom. For instance, the present legal definition of a musical work is "any combination of melody and harmony, or either of them, printed, reduced to writing or otherwise graphically produced or reproduced".

In fact, only music scores meet the current criteria for musical work. According to the amendment we are proposing, any form of musical composition, with or without words, will constitute a musical work in the meaning of the Copyright Act.

The Society of Composers, Authors and Musical Publishers of Canada, also known as SOCAN, collects royalties on behalf of authors and composers, both for the transmission of musical works to the public by means of telecommunications and for the public performance of such works.

The impact of technological change, which has also changed the way musical works are used, has been greatest on composers, authors and music publishers. Previously, the definition of a musical work or, should I say, a music score prevented SOCAN from collecting royalties for the transmission of musical works by specialized services and "paying" services.

This kind of transmission is meant when we refer to the right to communicate to the public by telecommunications. Bill C–88 makes a clear distinction between the right to communicate a musical work to the public by telecommunications and the right to do a public performance of the work, a distinction that is not made in the Copyright Act in its present form.

In making that distinction, the bill determines that payment must be made in return for exercising each of these rights. Bill C–88 ensures that everyone who transmits musical works and who takes an active part in their transmission, including programmers, cable companies, networks and their affiliated stations, is jointly and individually responsible for all payments chargeable for rights to communicate such works to the public by telecommunications.

This provision will simplify the equitable distribution of royalties to be collected pursuant to those rights. Failure to clarify the situation and ensure that the amendments proposed to the Copyright Act in 1989 are fully implemented will further increase the amount of royalties fore gone.

For artists, who are one of the least well–off groups in our society, the situation is a serious one. The government is determined to ensure that authors and composers of musical works are fairly remunerated for every use of their works, and I know members on both sides of the House support this objective.

By adopting Bill C–88 we will meet a commitment made to copyright holders. This measure will send a clear message that review and clarification of the Copyright Act, which has tremendous repercussions on the economic viability of this group, is a priority.

In concluding, on behalf of the Minister of Communications, I would like to thank all members of the legislative committee for their work on Bill C–88. As a result the process has been constructive and well timed. I would also like to thank all members of the House for their co–operation.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it was a great pleasure for me to listen to the hon. member, who was a good witness for the interests of artists, especially those who appeared before us on the committee. I listened to you with pleasure. You spoke on behalf of the minister, because you are faithful to the committee and I am pleased to recognize that today.

• (1630)

[*English*]

The enhancement under Bill C–88, the act to amend the Copyright Act in this third reading comes finally after years and years of an absence of a right, which deprived artists particularly musical composers and writers from earning a fair livelihood through an error committed during the negotiations of the free trade agreement. Not only did the free trade agreement have negative fall–out in many other areas, certainly for the artistic community and those who write, produce and compose it has been a source of great irritation and an unnecessary degree of financial deprivation which I would think has concerned all of us.

Those people involved in this particular field, those song writers and composers, can really be very appreciative of the incessant pressure they have put on this government through their collective SOCAN. They were very articulate in explaining and expressing their deep and serious concerns. It has taken a long time and it took a strong friend of the government to really get this whole thing moving.

We are pleased to be standing here today and finding a mechanism to answer that concern and at the same time to acknowledge that the essence of copyright is the finding of a fair balance between the rights of the creators and the rights of the users.

I and the Liberal Party support this bill because in its present form it does represent what we consider to be the kind of fair balance between the rights of the song writers and composers and the people who make commercial use of music. Rights were denied and I think even though those rights were denied in error during the free trade implementation legislation procedure, it is nonetheless not too late. I hope to repair some of this very serious damage.

I must make an observation about copyright. My colleagues have heard me say only too often that it is the kind of legislation I hate to do. Most people do not understand what copyright is all about and its vital importance to the life of many people in terms of intellectual property. It is particularly important to Canadian artists, entertainers and creators in every field of their expression. It is also a subject of increasing importance to the welfare of our Canadian economy. The same holds true on the international scene today through the multilateral conventions.

I would like to draw to the attention of the minister some very important multilateral issues that are going to arise in Stockholm very shortly, I believe at the beginning of June. These will have serious implications for the audio-visual producers and for the song writers if we do not take a firm stand to protect their claims under the Berne convention, the Rome convention and to ensure that our American neighbours are supportive of the interests of the arts.

We already overlooked them once. We fought hard in order to protect our cultural industries through the free trade agreement. We got special concerns.

Today is a very important day in the life of the artists. They were here to express their very serious concerns about the underfunding and the cuts that have taken place in the field of artistic grants and contributions by this government over the last eight years.

They raised against the wall of the National Arts Centre that incredible banner of Canada on which 200,000 signatures had been affixed as the flag went across this land which indicates the importance expressed by Canadians who support the arts, buy tickets to the theatre, buy the records and the songs, who enjoy the plays. They recognize that our films, movies, videos and our television series are selling so well around the world and that we have as a small country the most incredible talent everywhere.

Today is a very apt day to move once again into a field where there has not been adequate protection which in, of and by itself creates the low income our artists have to live with. In essence, it is the artists who are the best supporters of the arts of this country. It is the artists who not only produce but also have to sacrifice many things in life in order to allow their creative juices and talent to be expressed in a variety of ways.

To them we have to be very grateful for they mark our place on the global map as Canadians, as distinct, as unique. In a globalized world it is very important that we with the values we stand for express them through the screen, song and dance or in any variety of ways throughout the world. We should pay and respect these people to the best of our ability.

Today these artists and entertainers who are performing works across the country and around the world and in whom we take great pride bring into this country very important revenues. I do not know how many people realize the numbers of people involved in this field. Over 400,000 people work in this field.

We bring in over $17 billion in revenues to this country. We are about number four in the GDP of this country. About 2.6 per cent to 3 per cent of the GDP comes out of the field of art. It is the successes of artists like Roch Voisine, Bryan Adams and Céline Dion who are selling around the world. Their revenues come here and we take a good part of them in taxes and that helps the economy of this country. It is a business. Art is an expression. It is not a widget. It is a business, but it is a different form of business.

There are hundreds of names I could mention. These people are recognized by critics and audiences around the world. They are among the best in the world. When they sing, perform, write and compose, they do not get paid for their work if it appears on a cable system or on our network system. That is because of an error in law.

The artists have been losing millions and millions of dollars and I think that is grossly unfair. This is what the minister, this bill and this government were trying to shore up and fill in. It is its own error in the free trade agreement which it is trying to patch up now. I know we are pleased to participate in that.

Copyright protects their interests and enhances the cultural sovereignty of Canada. I do not think I need to go into a song and dance about that. If we did not have these cultural expressions, who and what would we be? Would we be extended Americans with no identity? It is happening fast enough. We need to really maintain this and who we are through the expression of these people. Copyright is important to business, as I said.

Intellectual property is the bedrock upon which we build our information-based society. It is critical to the future of this country. The accelerating pace of technological change demands greater ingenuity and creativity to compete in world markets. It is our knowledge that adds value to the goods and services we sell.

Canadians need a legislative framework to be able and capable of supporting these developments and defending the rights of Canadian creators.

Bill C-88 is another step toward the modernization of the Copyright Act. For some Canadian song writers and composers it is a very important step. It is by no means the major revision that is required in phase two of copyright that was promised before copyright phase one even came in. Although I am delighted that we have this revision, it is by far not the answer that we really need so that all forms of copyright are protected. Canadian artists and Canadian businesses can really be protected in the fullness of the intent.

The Canadian Independent Record Production Association in a recent newsletter called for phase two of this copyright reform. It reflects the current realities and enables creators to receive fair recompense for their work. I think this bill fills in a large part of the void that was highlighted.

• (1640)

I would like to read into the record what they had to say because I think it is important. They said: "It is extremely difficult to run an efficient, profitable business if the law allows users and consumers to use our property freely while negating the efforts and business acumen of our members. It seems unbelievable that such a gross injustice should continue to have been perpetrated over more than two decades, not just from the point of view of the lack of morality and disregard for the basic principles of justice and fairness that this implies, traits which are supposed to be common to all Canadians, but equally important, the attitude toward intellectual property that ignores the inherent value to Canadian society of having a strong, value-added industry that will make a substantial contribution to Canada's future prosperity. We can but hope that 1993 will bring a long-awaited change in this unhappy situation and enable our sector to make the contribution to Canadian culture and export earnings it is capable of, given the proverbial level playing field of opportunity that it has long deserved".

Although this particular aspect of the bill will cover one small part, it certainly does not cover home taping, performing rights, neighbouring rights and many other rights which are yet to be discussed.

I asked today in the House during Question Period whether we were truly interested in the well-being of our arts, cultural institutions and artists. The bill we passed on June 8 last year gave artists the right to go before a tribunal and a tribunal was to have been set up so they could negotiate properly and in due form. The government has not seen fit to put that into place. It has not proclaimed that bill even though it has gone through the Senate and is law. It takes political will to name the judges for that tribunal. All that is left is political will.

Although we are debating and passing this bill today, I call on the government to realize it is one thing to put on a public face and lots of performance, but this box we are now presenting may be a Trojan Horse unless this bill is proclaimed into law and enacted upon. The tribunal for the artists has not been acted upon to date.

Cable companies that carry specialty services such as MuchMusic, MusiquePlus, YTV, Vision and Arts and Entertainment, that do not broadcast over the air, use the works of Canadian musicians without paying for them. Is that right? Would you like your works to be used without any recognition or pay? It does not put food on your table or pay your rent. This means that while song writers such as Gordon Lightfoot, Roch Voisine or whoever, might receive royalties for air play of a song on radio or on a broadcast television like CTV, TVA or CBC, there is no remuneration for their air play on channels such as MuchMusic, MusiquePlus, Nashville Network or other services which are available only on cable.

The whole reason for this is forgetfulness when the free trade agreement was negotiated, amongst other forgetfulnesses. I will not go into that. I can see you are smiling, Mr. Speaker. This is perhaps not the moment, but boy could I really enjoy a real debate on free trade.

An hon. member: Do it.

Mrs. Finestone: Do it, okay. How about you speaking for me over here?

This is an injustice as is any other service. Let us put this bill through and ensure that the errors that were about to be committed are not committed again by a minister ill-advised by his staff. This minister almost committed an error that would have caught nursing homes, hospitals, mom and pop shops and small businesses where they had a radio on or were playing a cassette because it would have been trapped under the gramophone act it had put in here.

I can say to you we got rid of the gramophone exemption. We then clarified the copyright issues around CTV. We hope we will not have to be concerned that there will be any kind of double payment and that we are severally and jointly considering responsibilities.

We will hopefully have the Canadian Copyright Board review the flat revenue tariff versus the incidental tariff that is presently in place as the payments system, in the interest of what is best for the artists involved.

I hope this copyright bill will be the forerunner of phase two of copyright which is desperately needed. I certainly support the move of this bill into law.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, the fact that this is a short debate and there is all-party agreement to this government bill tells an interesting story. It is a story that is worth putting on the public record.

When the Standing Committee on Culture and Communications was holding hearings earlier last year on the state of the cultural industries in Canada which resulted in our unanimous report on *The Ties that Bind*, we heard presentations from SOCAN which is the Society of Composers, Authors, and Musical Publishers of Canada. We heard how a technical oversight in the drafting of the copyright law is costing them millions of dollars every year.

As the government person and the spokesperson for the Liberal Party have also pointed out, the problem was that the old copyright law defined a musical work as having a written score. The cable companies were saying; "we are not transmitting a written score. We are transmitting sound".

In the old copyright law, the definition of broadcasting was something that was broadcasted over the air. The cable companies were saying; "but we are not broadcasting over the air, we are broadcasting by wire".

They were using the works of song writers, composers and authors without paying one cent in royalties. I suppose the other television companies like CBC and CTV, Global and so forth could have also said: "Well, we are not transmitting something that is written". But they did not. They lived within the intent and spirit of the law, unlike the cable companies.

I initially suggested to my fellow members on the committee that we have a quick little amendment to plug this. It was obvious that all members from all political parties who were at that committee hearing were convinced this was an unacceptable situation. It was stupid. Why not have a quick little amendment to change this and rectify the situation?

We invited the government to bring in the bill that is in front of us, although it is not quite the bill in front of us. There was full co-operation of all political parties and members on our committee and we worked in a co-operative way together. It is an example on how Parliament can and should operate and what we accomplished demonstrates what a truly representative system can do.

Also interesting was the interference from the department and bureaucrats, although not from the minister. I would like to separate the minister from the bureaucrats, although I was not privy to all the communications. My criticisms were of the bureaucrats from the department. Instead of presenting us with a bill to plug those loopholes as we wanted, they brought us a bill that also had a whole bunch of other bells and whistles attached to it.

• (1650)

They wanted us to tackle the whole question of what is commonly called the gramophone exemption. This is an exemption in the existing law that would allow a restaurant or a public place to play a gramophone and not be charged royalties. It is outdated and has to be addressed but this was not the place.

Organizations like the Restaurant Association et cetera made a valid submission to our committee asking us to leave it as it is right now. We have to discuss this whole other area in phase two of copyright. Do not take this little part that has to be reformed and try to do it. Leave it because there are some interesting questions.

I used to operate a restaurant and would turn the radio on in the kitchen to listen to music. Now is that commercial exploitation? Should I be paying royalty for that? I do not believe so, but if I was running a fancy restaurant and tuned into an FM station that just played certain types of music, if it was important for me in terms of creating the ambience of my commercial establishment and I was making money off somebody else's creative work, then yes I should pay some royalty for that.

These are some very fundamental principles and we have to debate them. I urge the government to proceed with phase two of copyright. It is badly needed. I am critical of the government for delaying it so long but to deal with it in this particular piece of legislation is inappropriate.

Finally the department came with some further amendments. Those amendments in turn created a whole slew of other problems and then we started hearing from people who made films including educational films because the amendments the bureaucrats were introducing affected a whole group of other people. Finally we were able to convince the bureaucrats and the government to drop that section of the bill.

I thought everything was solved but then the last Wednesday before Christmas recess the committee was to deal with clause-by-clause considerations. Before we could proceed the government came up with a whole new set of amendments.

We began to wonder whether the government and the bureaucrats really wanted this. Every time they introduced these new amendments they created another road-block. This new amendment dealt with the definition of a network. I asked them if they had consulted and they said they had but when I went to the broadcasters they told me they had not been consulted.

You have to ask the question: Why did the government bureaucrats come in at the last moment with a whole new set of amendments that did not affect the intent and essence of the bill? My experience in copyright is that if you change even one part of it the ramifications can affect all sorts of different enterprises and groups you were not even aware of.

The only decent way of handling it is through a consultative process, an open process that holds hearings so all parties can appear before our committee and tell us the effects of whatever change is being proposed. We did not do it. The government came in at the last moment with a whole new set of amendments and did not allow us to listen to the broadcasters.

In this particular case, CTV would be directly affected. We have never heard from CTV how this amendment which is now in this bill is going to affect them. I think that is wrong and unfair. It is not the correct process. I am not certain if we really understand and know what this will mean until we hear from all interested parties.

I am very happy to see the bill and will not object to it, nor will I object to any parts of it. I suspect once I understood the implications and application of the amendment the government introduced at the very last moment, I would probably agree with it. I certainly did not want to be stampeded into it. I certainly did not want to make a decision on it without hearing all the affected parties. The government did not give us that opportunity.

Even though Bill C-88 is an example of where all political parties and parliamentarians from the government and the opposition can work together in harmony, it is also an example of how bureaucrats can interfere with that process. I want to put on record that there is a lesson to be learned from this.

I am happy we will be able to proceed with Bill C-88 and pass it in all stages, hopefully this afternoon. It corrects an injustice. It corrects a wrong. It establishes some fairness, some justice and some equity for important citizens of our society, the creators of musical works that we listen to, musical works that are like mirrors of ourselves and society.

It does not solve all the problems. It certainly does not solve all the severe problems of the artistic community in this recessionary time and in a period of increasing government cutbacks. The cutback to the Department of Communications by 10 per cent this year and 10 per cent next year across the board will have devastating implications and applications.

When granting agencies like the Canada Council have to scale back it means that some orchestras, some theatre groups and some galleries will not be able to continue, and that is unfortunate. It is not just unfortunate for the cultural life, the image of our country and our self-awareness as a country, but it has negative economic implications.

My colleague from the Liberal Party, the Liberal critic for culture, put on record some of the economic factors involved. Earlier today in my statement to the House I went into some of the economic factors. Almost 350,000 people are employed in the industry. Some say it is almost 400,000 people. It contributes some $17 billion to economic activity in Canada or some 2.5 per cent of our Gross Domestic Product. These are significant economic realities.

The arts, the culture, artists, musicians, writers and actors make a tremendously important contribution to the psyche of the country and to the economics of the country. We earn in Canada in terms of our foreign balance of payments from the arts some $1.7 billion from people offshore who bought our records, our movies, our books, et cetera. For us to cut back in this important economic activity is counterproductive.

These are the arguments. These are the debates. These are the battles I am sure will be fought in this House on other occasions and during the election campaign whenever that occurs. However today we are united. There is total unanimity of all members of the House in urging the passage of this bill.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, since there is only a minute left and we would like to pass this bill today, I would like to say that the Bloc Quebecois fully supports this bill and even congratulates all parties in the House for co-operating so much in order that authors can earn a living from what they do. We are ready to vote.

[*English*]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being five o'clock, pursuant to Standing Order 30(6) the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Mr. Derek Lee (Scarborough—Rouge River) moved that Bill C-336, an act to amend the Criminal Code and the Young Offenders Act (absence of criminal liability of child under 10 years of age and definition of child and young person), be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Mr. Speaker, I am very pleased to have an opportunity to present a private bill that I feel addresses a flaw in our justice system.

I would like to take a look at the purpose of the bill. It is specifically to reduce the age for the operation of the Young Offenders Act from the current 12 years of age to 10 years of age. That requires two specific statutory amendments.

The first is that section 13 of the Criminal Code will have to be amended to reduce the age of criminal responsibility from the current 12 to 10. Second, it will require a change in the Young Offenders Act of the definition of a young person from the current 12 to 17 year age group to 10 to 17 and describe as a child a person who is under 10 years of age.

A little background would be useful in understanding why I propose this amendment. The Young Offenders Act was enacted in 1984. Prior to that act, offences by young persons were covered by the Juvenile Delinquents Act which covered youths aged 7 to 18. In effect, after 1984 youths aged 7 to 11 simply dropped out of the justice system. It was believed at that time that child welfare legislation would be sufficient to regulate their affairs even if those affairs involved ciminality.

In any event, now the public knows that the Young Offenders Act has more than one problem. Many people have suggested that we should change the name. Let us be honest. Changing the name of the statute will not do anything. We have to address the real problems in the statute.

As I see it there are at least two flaws—there are others—in the current act. It is odd that just a year ago the House passed an amendment to the Young Offenders Act. We were told at that time by the government that the act would address the flaws in the Young Offenders Act. I say that is not true. It did not address them and it was only a superficial response. We still have work to do.

The criminal justice net currently excludes crimes by those who are under 12 years of age. Not only do we have the scope or net problem where acts by those individuals escape the system, but to many the act appears not to have any teeth. It is ineffective. That is not just a perception; that is a reality.

If one looks at the principles contained in the Young Offenders Act, and I will simply cherry-pick through, one reads things like: The youth have special needs and require guidance and assistance; it is not inconsistent with the protection of society to take no measures or take measures other than judicial proceedings; young persons should have special guarantees of their rights and freedoms; rights and freedoms of young persons include a right to the least possible interference with freedom that is consistent with the protection of society. The act shall be liberally construed to mean that young persons will be dealt with in accordance with the principles, some of which I just enunciated. In the end we can see that in those principles there is no principle of general or specific deterrence to young offenders contained in the act, none at all. If there is no goal, if there is no deterrence, the act has no teeth for that age group.

Let us move now to the amendment I propose: the lowering of the age from 12 years to 10 years to include young offenders. Let us take a look at what has been happening with the under-12 group over the last few years.

In 1991 I received a letter from a principal in my riding of Scarborough—Rouge River. I will just read a portion of it because it is very instructive. He wrote: "A 10-year old boy in my adjustment class assaulted seven girls" and he described the sexual offence, sexual assault. "While discussing the problem with him he went into a rage, physically assaulting, kicking, punching, biting my vice-principal, social worker and myself. He threatened to return with a gun and shoot me. He was suspended. The following week he returned with a bb gun or pellet gun. I was out of the school at a meeting so he threatened several students with it and followed two of the above-mentioned girls home".

He described the action that the school took including a suspension and informing the Children's Aid Society. He continued: "My problem is the inability to deal with the incident as it affects society. The police inform us that they can do nothing because of the Young Offenders Act. They further stated that they probably could not even take away the gun. The Children's Aid Society has difficulty doing anything if the problem is not a threat to the boy himself. Threats to others are not their mandate".

In 1992 I had a letter from two teachers from another school. They said: "There have been increasing occurrences of theft in our classrooms. Children are stealing from other children as well as from adults. These children have no remorse about their actions. Some of these young children continue to commit these crimes on a regular basis and as a result we are dealing with property damage, home-made weapons, verbal abuse, physical abuse, harassment, intimidation. If we continue to excuse inappropriate behaviour from the above areas we will also continue to give students the message that their crimes are not serious enough and they will not be accountable for their actions. We feel that if students choose to commit crimes they should also be responsible for these actions and serve the proper punishment according to the law for all people".

That is just a sampling from my riding, but Scarborough is not alone. There is great frustration at the failure of the Young Offenders Act in every area of the country.

In August 1992 the Canadian Association of Chiefs of Police, by a resolution at its annual conference, urged the Minister of Justice to review the application of the Young Offenders Act to include individuals under 12 years of age.

We have information from the Canadian Centre for Justice Statistics. It is a collection of data from 10 per cent of Canada's police forces. If we extrapolate—this is not scientific—from the data gathered by that centre for statistics we can estimate that there are approximately 14,000 otherwise criminal acts being committed by offenders under the age of 12. I call them offenders even though in law they are not offenders and even though in law those acts are not criminal offences.

I have some additional examples from that grouping. Last February *The Ottawa Citizen* reported the case of a five-year old girl who could not go to school because a ten-year old boy had slapped her and was threatening her with a knife. In September 1991 two serious incidents occurred, also in the Ottawa area. Four elementary school students, all under the age of 12, kidnapped, gagged and physically assaulted a seven-year-old. In the other incident a 10-year old boy was shot in the arm and leg by an 11-year-old.

• (1710)

In the 1989-90 year, the Ontario English Catholic Teachers Association conducted a survey of assaults upon teachers and students. Among other things, it found 664 incidents of common assault; 73 incidents of assault with a weapon, threatening with a weapon and serious physical injury and harassment; and 570 incidents of vandalism.

The number of those incidents are growing. I want to point out that many police will not either bother to report or act in relation to criminal acts committed by youths under 12 years of age because, they say: "It simply is not a crime. It is not a criminal offence. We do not have a criminal. We have not got a charge. We have not got a process. We cannot arrest. We cannot intervene. We cannot detain. The matter is closed". Many statistics just do not get reported.

In a report prepared in 1990 for the Department of Justice, it appears that there are recommendations from the governments of the provinces of Nova Scotia, Ontario and British Columbia, all recommending that the Young Offenders Act age be reduced to nine or ten years of age. I point out that my bill would bring the age down to 10 years of age.

One of the problems cited in that study is the ineffectiveness of existing child welfare legislation in filling the gap in dealing with and responding to those kinds of offences by youths under 12 years of age. I do not have time to review the child welfare legislation in every province, but essentially child welfare legislation permits intervention by authorities only to protect the child. It is for the purpose of protecting the welfare of the child that the authorities can intervene, not for protection of the public.

When the intervention occurs generally, it must be by law in the following manner. They must take the child home to the parents or to a place of safety. That is only for the purpose of protecting the child. In many of the incidents I have mentioned there was not any question of any danger to the child involved. The child was a danger or had committed a criminal act in relation to someone else.

Therefore, in those instances where we think we can rely on child welfare legislation, there is no sanction, absolutely no sanction at all. What do we do when we take this offending child home to a family where there is no real family, when they do not care, when they do not know what to do? That child is simply given a free ride home with no sanction.

From the study prepared for the Department of Justice there were a number of reasons cited why the age should be reduced. Again, I will just cherry pick through some of those reasons. Some children under 12 are responsible for their actions and take advantage of their immunity from prosecution. They do have a criminal intent.

We could lower the age to prevent or to reduce the likelihood of older persons using under 12-year-olds to commit offences; to protect the public and to give consideration to victims; the need for consequences for the child when a law is contravened; the need for specific and general deterrents which are simply not in the system at all now, not even in the existing Young Offenders Act as it applies to all youth under the age of 18. There is not even any reference to general or specific deterrents in that act, let alone for the children who the act does not cover at all.

There is a need for more effective intervention, more effective than a simple referral to the child welfare system, and a need for some middle ground or alterna-

tive measures between returning a child home with no further action and referral to child welfare. The children will benefit from services available in the youth justice system as well as the controls possible with a court order like curfew, probation, non-association conditions.

There are many reasons why many observers think this act should be amended in the way I have proposed. I am not advocating that 10 and 11-year-olds be dealt with in adult court. No. I am simply asking that they go to youth court. I am not asking to send them to a maximum security institution but only that they be dealt with by the young offender system that is in place. It is the same place where we deal with 12, 13 and 14-year-olds.

I ask you to put yourself in the position of a parent of an 11-year-old who is either robbed, physically assaulted or sexually assaulted by a person of the same age with criminal intent. That person is simply met by someone and taken home.

You are helpless to deal with that youth. Society is helpless in dealing with the youth. There is no legislation that permits intervention or sanction. That simply is not acceptable when we already have a Young Offenders Act. It specifically provides for youth services, intervention, sanction, probation, curfew, conditions, guidance and psychologists.

The Young Offenders Act provides for that system in each of the provinces. Yet for these young offenders aged 10 and 11, we are not using it. They simply drop outside the system. They do not come within the net. I think Canadians want young offenders of that category dealt with by the Young Offenders Act.

Maybe there is no real family at home. That is often the case for young offenders of this nature. There is no accounting. There is no apology and there is no sanction for these 10 and 11-year-olds.

What kind of message does that send to the young offender of that age? What kind of a message is it? He or she would be totally unsure whether there was any line drawn in the sand, whether there was any sanction, whether or not society was really showing any denunciation for the act.

Sadly yesterday we learned about a case in the United Kingdom. It was not in this country. It is a few thousand miles away. It involved the case of a murder of a 2-year-old who was bludgeoned and then left on a railway track. As awful as those details were, I was shocked when I heard that the police were looking for two suspects, youths aged 10 to 12.

If that happened in this country, I say that those youths would by law, if they were caught and if they were of that age group, be simply taken home. They would have to be taken home to their parents. That is it. There is no more sanction. There are no more dealings. A social worker would check into it. That is it. There is no ability to do anything other than to do something to protect the offending child. There is nothing to protect society. That is simply not good enough.

Child welfare legislation is there to protect the young child and not the public. We need legislation that will address protection of the public. Where is the justice now? Where is the sense of proportion? Where is the ability of society to protect itself? Where is the procedure to give those 10 and 11-year-old young offenders access to young offender treatment programs? It just is not there.

On this one item of amending the age category, the Young Offenders Act needs reform. I know members opposite know that. The age must be reduced. I urge members in the House to adopt this reform as one of several which we have to see to. My constituents want these reforms, as do all Canadians.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am pleased to participate in this debate with regard to young offenders.

I have to say right from the very start that I am not in favour of lowering the age from 12 to 10. The minimum age of young offenders prior to the Young Offenders Act being passed in the House in 1984 was certainly discussed not only here in this House but right across the country in each province as well as the two territories.

• (1720)

A lot was taken into consideration. First of all, you have to take a look at the mental capacity of a 10-year-old. While chronologically somebody can be 10, their capacity to understand and comprehend varies greatly. It varies with the individual and the family surroundings in which he or she has been raised.

Let us just take the capacity of a youngster who is 10 or 11. Does he or she understand the criminal law system? Does he or she understand what it is to go into court and what their legal rights are? I think we would be taking far too much for granted if we ever even gave a thought to lowering the age.

I agree that there are some things within the Young Offenders Act today that need to be amended. I know my colleague mentioned that in his closing remarks. However, it is not lowering the age by any means.

I want to look at a troubled youngster. A 10-year old or an 11-year-old troubled youngster commits a crime. Why? Often it comes down to a family in which there is some sort of dysfunction. Either it is a single parent or, not always, two parents where both of them are working and there is not enough supervision or indeed there is abuse. When I speak of abuse I do not just mean sexual abuse. We get into psychological abuse, emotional abuse, physical abuse. There are all kinds of abuse. Many of our youngster grow up in that today. We need to put more emphasis on the family and ridding ourselves of family violence and family abuse.

Obviously this is a major problem. I understand what my colleague said with regard to two or three cases that he elaborated. One had to do with a youngster in a school who was sexually assaulting. He was 10-years old and sexually assaulting another youngster and then coming back with a pellet gun.

I would have to ask myself, number one, about the principal and counsellors within that school. Certainly some reporting must have been done. Second, when youngsters are apprehended by the police department they are, yes, taken to their house.

Mr. Lee: They cannot be arrested.

Mrs. Sparrow: I am not asking that they be arrested but there is something wrong to cause them to commit that particular offence in the beginning. I think it is up to our social services with regard to assisting these youngsters. It may be a family problem and the youngster would have to be removed from the family. That can be done. It can be done through the social services or through the child protection system. It is unfortunate but sometimes it is a lot better for the youngster.

It is clear that the needs of youngsters who are 10 or 11 years old must be looked at and must be reviewed by the child protection and mental health systems, not by forcing them into family court and not by finding them guilty of a certain criminal crime. Incarceration, you cannot do that to a 10-year-old. Not at all.

What we have to do is strengthen the social services so we could get into the home, into the communities and into building up the family life. That is what is so needed.

Let us talk about the Young Offenders Act. This has been a very volatile subject in my riding and in a lot of ridings right across the country.

First, under the 1984 legislation, it deals with youngsters who are 12 years old through to 17 years old inclusive. I would strongly say that youngsters who are 16 years old and 17 years old should be moved to adult court. They are not young offenders. I would like to see an amendment where we would lower the age from the top down and say that the 12 to 15-year-olds are young offenders. However 16 and 17-year-olds who can have jobs, leave school, drive cars and assume responsibility should be treated like adults.

I feel very strongly there are habitual young offenders and they are the ones who we have to treat more seriously. Any young offender who has been twice convicted of an indictable offence and is back in court for the third time should automatically be moved to adult court.

There are weaknesses in the system. I feel very strongly that there are some amendments that need to be made, but I am not going to say that a youngster of 10 or 11 should fall under the Young Offenders Act. We have to deal with it with our social services, and I know that a lot of those responsibilities are within provincial jurisdiction. I also know that by working with Brighter Futures, which the Minister of National Health and Welfare tabled some months ago, or working with our aboriginal peoples we can certainly improve the system.

However, it is through education, counselling and public awareness that we can improve the situation.

If both parents are working, that is tough. How many members in this House have latchkey kids? How many members in this House are really single parents with full responsibility for their youngster plus a job? There are not very many. It is a big responsibility, so there is a lot more to this than sending youngsters who are 10 years old to jail.

Let us look at the young offenders. There are lots of things we can do. We legislate the law, the provinces administer the act along with the courts, and the police department makes all of the decisions about whether to charge or not. We do have problems and a lot are in the court system. The court system is under such stress and strain because of the backlog that there are certain convictions that should not even go into court, such as speeding, unless it is dangerous driving. There are certain tickets that I can pay by sending in a cheque, be it a speeding or parking ticket. We should remove these from the family court system.

What about sentencing charts so that all across our country youngsters in the young offender system who are found guilty and convicted of a similar crime receive a similar sentence? It differs greatly from the city of Calgary to the city of Vancouver.

We can encourage out of city initiations to put the youngsters to work so they understand what an eight-hour day is, be it perhaps in the forestry business or the parks and recreation business, and at the same time teach them a vocation so that they then can carry on in a meaningful way with employment in their future lives. There is education. A lot of these youngsters have dropped out of school. They do not have enough education to get them through society in the coming years.

It is most important that we not only have the young offenders system that we have today but that we set up certain types of work camps for habitual young offenders and teach them a trade.

How about the financial accountability of some of these young offenders? What of those who steal cars for a joy-ride and then damage them? The car is then a write off. Somehow through the insurance system, and even through the income tax system, there could be a charge so that over the period of 10 or 12 years, once they go into the working system, they will slowly have to pay off their financial responsibility to society. That should be put in there.

I absolutely believe that there are many means by which we could strengthen the Young Offenders Act so that youngsters who are 16 and 17 are treated as adults and we get to the habitual young offender, who is 6 per cent of all the young offenders but is doing 80 or 90 per cent of the offences. Those are the people we should be after, not the little kids who are 10 and 11 years old and come from broken families or families who have problems. They need counselling and they need help. I agree.

If there are family problems they should be removed from the family, I agree with my colleague from across the way, but there are certainly ways to help the family without putting these youngsters in jail.

• (1730)

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I welcome the opportunity to participate in this debate today. This bill that is before us is proposing to lower the age of people covered by the Young Offenders Act to 10 years from 12 years. Although I sympathize with some of the member's concerns and some of the points made by the member from the government side I do not think, and certainly members of the New Democratic Party would not think, that we should lower the age from 12 years to 10 years.

In this country we spend over $8 billion a year on the justice system right now. Canadians are feeling less safe in this country than they have probably ever felt. The United States has become very serious about building more jails and becoming tougher on offenders but it has a worse record than we do.

The answer is not in making tougher laws and further deterrents. The answer is in other areas. With respect to this bill, yes, there are children who are 10 or 11 or sometimes 7 or 8 years of age who have some severe problems and are a detriment to themselves and the people around them. However, changes should not be made specifically to the Young Offenders Act unless they are linked with increased mental health and social services with the provinces and with federal cost sharing for those services. There must be a broader approach.

A child who is seriously out of control, such as the one mentioned by the hon. member who threatened to use a pellet gun, is a serious problem. A child who is seriously out of control requires long-term, open-ended treatment. That simply cannot be appropriately provided under the definite sentencing framework of the Young Offenders Act. Criminalizing behaviour is not an effective response in dealing with a child with severe behavioural problems.

The Standing Committee on Justice and the Solicitor General is examining law enforcement and the future of law and order in this country. I want to note the Canadian Police Association position on this issue. It stated before this committee just recently that: "As a society we should also recognize that the solution to crime by younger criminals is not to reduce the age of the Young Offenders Act applicably, but instead to accept the reality that failing to intervene in some cases does the young person and society a greater disservice in the long run. This approach, intervention by provincial authorities in child welfare situations, is obviously fraught with immense difficulties itself. Just because that is so, however, should not deter us from carefully having the courage to make the tough judgments necessary. It will by no means be easy. But to ignore such problems potentially condemns children to a likely worse state".

These are the people who are working on the front lines. These are the police officers who deal with this on a daily basis, and they are taking that approach. Yes, there is a need to deal with this issue. Yes, there is a problem in this area. Yes, there are problems with the Young Offenders Act and they will be looked at.

If we are going to deal with this problem effectively we must have a broader approach. I understand that the Standing Committee on Justice and the Solicitor General, which is looking at this area, is going to come out with a recommendation that will say that we must look at preventing crime before it begins by working with the family, and by doing things in this in society that will be preventative in nature. That is the approach this committee is going to take, having looked into it. That is the underlying principle from which we are going to have to deal with this issue and other issues pertaining to law and order.

Although I sympathize with the member's concerns and I agree with him that there is a problem the answer is more in terms of looking at crime prevention and seriously working with the provinces to deal with these incidents. In many cases a deterrent factor is not going to help a child who is 10 or 11. If we do lower the age to 10, what happens when a child who is 8 or 9 commits murder? Are we going to lower the age to 8 then? No.

The way to deal with this issue is to take the broader approach. That is the way we should deal with this issue. With due respect to the member, I think that would be the better approach.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, if the intent of the member who proposed this bill is to express a concern for law and order in Canada I would be standing with him and beside him, because all Canadians want to see a greater level of law and order maintained in our communities. If he wants to specifically recognize that law and order has changed to the point that it is not just adults or young people but children who are now involved in crime then I would also agree with him.

The question is how to handle the situation to obtain more law and order and fewer offences, less criminality. I am not sure that the solution the hon. member is proposing is really an answer, let alone the answer.

We have argued these ages before. I sat on the first Young Offenders Act committee in the seventies when we made the first revision since 1911 or 1921, it was something like that. We had the same problem of making a subjective or arbitrary decision: What would the age of a young offender be? At that time we were dealing with the upper age: Should it be 19, 18, 17, 16, 15 and so forth?

As a matter of fact it was a Conservative member of the committee, Allan Lawrence, the former Attorney General of Ontario, who moved to make the age that we were going to establish 16. The NDP members at the time said it should be 21. I remember making a motion myself saying that we should saw it off at 17, which it is in several of the provinces now.

It was also an issue of jurisdiction. At that point in some provinces it was 16, some 17 and some 18. The question was who would take responsibility for the young offender at that time. Would it be the federal level or the provincial level? If the federal government legislated, that meant the provincial governments had to increase their facilities and their ability for care.

The federal government forcing the provincial governments to increase the numbers of people they had to care for meant that their facilities became overcrowded. As the facilities became overcrowded they put them out onto the street too fast and too soon and there were not enough spaces. All of these kinds of repercussions further undermined law and order.

It was a problem of choosing an arbitrary age. In that case, the question was when does a person become an adult? Certainly, all the arguments that were put forward are arguments similar to ones being made now. It is true that some people become adults at 14 or 15 years old and others never become adults for their entire life. Maybe the age is 25 or maybe it is 30. It is true that this is an arbitrary subjective decision that is not the same for all people in our society.

• (1740)

Similarly the issue of 12, 11, 10, 13, 14, and 15 years of age are all subjective decisions that are different for each person, each child, in each family in each situation. You cannot draw that perfect line.

I think it is generally agreed that the young offender at the other end becomes an adult when they become independent of their parents or away from their parents. We were trying to find that age somewhere in there. Probably in retrospect I think we came up too high. At that time I moved an amendment that it should have been lower and in the same space at the end when a person becomes an adult.

Then at the other end of the range the same thing occurs with a child. I think generally it is perceived that a child becomes a young person probably around the age of puberty because that is when the changes really start to happen. Usually it is around the age of 12.

It is true some people enter puberty at 10 or 11 years or whatever age, but a space has to be picked where most children are. I think to say it is 11 years of age or less is probably too young. As they approach 12 years of age then they come into a new category.

The Young Offenders Act then accommodated the fact that at 12 years of age one can also be a violent criminal. Therefore we allowed in the revisions that a young person at the age of 12 could then be brought before a higher court, to an adult court if necessary and appropriate depending upon the nature of the crime and giving flexibility.

It could be that we could recognize a degree of criminality or allow some sort of a judgmental process which could raise that child to a young offender depending upon maturity and other things. I do not think that is where it is at in the attitudinal sense about how we want to care for children, how we want to care for young offenders and how we want to care for older or adult offenders.

There is the sense that we look at each of them differently. Perhaps for the older offender we are looking at rehabilitation, incarceration for the protection of that person plus society or their victims and the victims of that criminal. Then we are into the field of actual punishment which could go anywhere from emotional punishment to the age-old question of corporal or capital punishment which has been removed from our system. That is another area of debate.

At the adult level we want to apply all of those things. Perhaps in some measure it is to cause correction, in other words to cause correction giving us social behaviour as opposed to anti-social behaviour.

We get down to the bottom end. Let us say the top end is the ultimate criminal who has the least chance of rehabilitation and perhaps none. We always hope that person can be rehabilitated. However, that person is a violent criminal murderer addicted to drugs and alcohol, an almost total reject from our society with very little probability of rehabilitation. Therefore the maximum incarceration would be given for the protection of the public because we cannot bring that person back to the public.

Going to the second level of young offenders surely there is a greater emphasis in the young offender group that there is a possibility for rehabilitation. Therefore rehabilitation needs to be a pre-eminent factor among young offenders.

If we are talking about children we have to have maximum hope for rehabilitation. Surely we are not ready to write off a young person up to the age of 11 or 12 in terms of criminal justice, criminal punishment, retribution and these kinds of things. Hopefully the child is someone we can care for and correct because the patterns have not been so severely established that they cannot be corrected.

We are causing an almost impossible corrections process for a child under the age of 12 because even those systems of care are being totally imperilled. Those systems of care are the first line of care, the home and the family. There is the denuclearization of the family.

We are no longer a nuclear family. Our values are different, circumstances are different, and so forth and thus the loss of those family values that normally care and nurture. That is the best place to find it. That is where it works the best, but our system has changed and it does not necessarily exist.

Already we are going to start with problems. Those problems are not identified when a person becomes 12 years old. Ask any grade one teacher and they can tell you which of those kids are already problems and are going to be problems heading toward age 12. However, do they have the resources or the capacity to correct it?

This is an important issue. I do not think the age question is the answer. The answer is in recognizing the symptom of the problem of a child and finding the resources within the community, within our families, to accept that child, love that child, care for that child, rehabilitate him and give him a chance as a young person and an adult in our society.

The Acting Speaker (Mr. Paproski): There being no further members rising for debate, the time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

Do I have unanimous consent to go to the adjournment motion?

Mr. Dingwall: I rise on a point of order, Mr. Speaker. I think there might be a disposition to proceed to the late show but I am wondering if we could perhaps get the consent of hon. members to rearrange the order of speaking. Some of our colleagues are on route to the Chamber. In fact one of the more distinguished members has just arrived and perhaps, Mr. Speaker, if you would give him about 30 seconds to get his breath we would then be in a position to proceed.

The Acting Speaker (Mr. Paproski): He will be number two anyway. The hon. member for Moose Jaw—Lake Centre is number five. We will try to rotate it if the other members are not here.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

OLD GOVERNMENT HOUSE

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker—

An hon. member: Curly.

Mr. Bird: I will try to ignore that demeaning remark from across the aisle simply because that hon. gentleman bears the same characteristics, not nearly so well groomed I might say and not nearly so grey.

I welcome this opportunity to elaborate on a question I put to the hon. Minister of Public Works on September 10 with respect to Old Government House in my riding of Fredericton—York—Sunbury.

Old Government House is a national historic site that represents probably one of the best expressions of the tricultural history of our country, native, English and French, that exists anywhere.

The property is now surplus to the requirements of the Department of Public Works. Over the past four years through the efforts of all three levels of government at the local level we have been preparing a plan and advancing a case for the restoration of that property to be used as the lieutenant governor's office quarters for the province of New Brunswick. It would house the protocol offices of the province of New Brunswick, have a tricultural museum on the second floor and maintenance and historic furniture on the third floor. There would be a very large block of parkland surrounding the property on the banks of the Saint John River for which the city of Fredericton has committed itself to beautification and upkeep.

• (1750)

The general thrust of the proposal is that the Government of Canada would deed the ownership of the land and the property to the province of New Brunswick. The province of New Brunswick would undertake the ownership and the maintenance thereafter.

The cost of the restoration is estimated at about $10 million excluding property costs for which the local trilevel steering committee proposed that the federal government consider approximately 70 per cent, the provincial government approximately 30 per cent and the city of Fredericton would put its contribution in in terms of the long-term property maintenance and beautification of the area.

I have suggested in my correspondence with the hon. Minister of Public Works that the federal contribution of approximately $7 million would be divided as follows: $1 million from Public Works Canada itself would be in lieu of ongoing maintenance work. The building is in serious need of repair and there is a major maintenance cost that is presently attributable to it. It will increase as the years go by. Environment Canada under its Canadian Parks Service and National Historic Sites would contribute $1 million. Communications Canada under the Museums Assistance Program and the Cultural Initiatives Program would contribute $2 million. Atlantic Canada Opportunities Agency would contribute the final federal equity of $3 million.

The province of New Brunswick as I have said would contribute the remaining $3 million to the capital restoration costs. It would assume in our proposal, and it has not committed to this, the annual maintenance of about $350,000 with the city of Fredericton's ground maintenance being $30,000 per year.

We proposed that this project would be conducted over a five-year period. The initiative is presently with the Minister of Public Works on the federal side and with his counterpart, the Minister of Supply and Services, at the provincial side.

My question for the Minister of Public Works is as to how this matter stands with respect to the proposals I have made to him. Is he ready now to give us a definite and an affirmative answer that will see the opening of this restored Old Government House in Fredericton—York—Sunbury before the turn of the century?

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, on behalf of the Minister of Public Works I would like to respond to the question by the most hon. member from Fredericton.

He has spent a lot of time not only at home but also in Ottawa working on this project. Not only he and I but the department and the government also agree it is a worth-while project. It is one that is highly desirable. There are not that many buildings in Canada that have the same kind of historic significance. If I understand correctly, that building was actually part of the initial discussions that led up to the Confederation of this great country of ours.

As the member indicated, there has been a trilevel committee of which he was one of the co-chairs. It involved the municipal, provincial and federal levels. It produced a report of the recommendations. Of course, the essence of that report was that they proceed with the renovations to make this a permanent historic site.

As a result of that report, the Department of Public Works has drafted a memorandum. It outlines the work that has to be done as the member has indicated along with an allocation of costs. Under the proposed formula, the federal government would be asked to contribute in land and by other means through the departments that have already been mentioned a total of about 65 per cent of the cost.

Although there has been broad general agreement, there are still some outstanding issues and negotiations are continuing. It is our hope that they will see an early conclusion because we are anxious to move ahead with this project and will give it all our support and encouragement.

JOB TRAINING

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on September 15 I asked the Minister of Employment and Immigration what he was planning to do to help the unemployed in all of Canada, but especially in the greater Toronto area. At that time 11.7 per cent of the people were jobless. Now, five months later, the situation has not improved very much; it is still over 11 per cent. This means that 212,000 people are looking for work in metro Toronto.

In the same period last year, toward the end of January, beginning of February, 202,000 people were looking for work, which means an increase of 10,000 jobless people in metro Toronto over the past year.

The Leader of the Official Opposition announced that job training will be the number one priority when the Liberals form the government. I ask the government of the day why can that government not make people its first priority also?

Toronto used to be the place where people from other parts of Canada came to find jobs. If jobs were not available in the Atlantic region or in the western provinces, people would come and find jobs in Toronto. Now, unemployment is higher in Toronto than in Halifax, Saint John, New Brunswick or Quebec City.

I have constituents in my riding who have never been unemployed for one day in their lives, suddenly at age 55 finding themselves without work and too young to retire. Job retraining is often the only hope for these older workers. These people need help in the new economy, and yet last year the government ran out of money around May or June because of poor planning.

I have many constituents who paid into the UI fund all their lives and when they needed help the government said: Sorry, we goofed, we mismanaged the economy and we cannot help you. Actually, many of them did not even get a sorry; they were very rudely treated when they went to apply for the retraining programs.

My constituents are not looking for handouts. They need a hand up. What assurances can the government give Canadians that the job training fund will not run out of money again? I was pleased that the minister did commit extra funds for the year 1993 of $2.2 billion. Again, are these funds going to run out in May or June, and then for six months people will be coming to their MPs' offices because there are no funds when they go for training?

I did a little research and I found out that the job training fund does not respond to demand. If the money runs out before the end of the fiscal year, Canadians are out of luck, even in the middle of this recession. What kind of economic management is this?

The government has never been capable of managing the economy. The numbers speak for themselves: three million people on welfare; 1.5 million people unemployed. The minister said that the ones who get retraining do go on to better jobs. If that is the case let us put our money where our mouths are. Why should it be just the employees and the employers paying for retraining. Should not all Canadians pay? When a doctor goes to be trained it is not the medical association and the client that pay. When someone goes to learn to be a teacher, it is not the teaching profession that pays for that education. It comes from general funds. It is the whole country that pays. This should be treated the same way.

Do not put all the training on the backs of the employers and the unemployed. They have been hurt already. I hope the government will have an appropriate answer today.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to review this. When Bill C-21 first went through the House, and was held up in the other house and went back and forth, we did not get much co-operation from the other side. In that bill we introduced training expenditures under the UI program. In 1990, $500 million was committed to training the UI recipients.

• (1800)

Bill C-21 really showed us that this is the way to go and in 1993 we continued our support to training and set up UI training dollars at $2.21 billion. Canada Employment and Immigration over-all expenditures on training and employment assistance is going to reach $3.8 billion in the years 1993-94. With that $3.8 billion, as my colleague has been saying, we are going to provide assistance to over one million Canadians; $300 million of total UI developmental uses goes to address the needs of displaced workers or workers who have a history of long-term attachment to the labour market but who have lost their jobs.

Some 326,000 Canadians are going to receive skills training. Another 162,000 Canadians will train under the Fee Payer Program. We will see $110 million allocated to self-employment assistance and $15 million to assist workers to move to where the jobs are. Over 11,000 Canadians will be assisted under this particular program.

We are also going to see $120 million budgeted for UI job creation in 1993 to assist probably about 31,000 unemployed workers to get back into the work force. Also we will be providing $130 million in work sharing assistance and, therefore, about 160,000 Canadians are going to participate in that particular initiative.

I agree with my colleague across the way that training, education and skills training is extremely important. As we see the job market change all around the world, not just here in Canada, but all across Europe, England, Japan, the United States, Central and South America, there is going to be more of a necessity for skills training.

I know that private enterprise, unions and educational institutions are also joining with various governments, not just federal but provincial governments, to realize and emphasize the importance of that. While $3.8 billion may not be enough at this particular time, because of the restraints we are under it is all that we can afford. We have to spend it in the most effective places and get the best bang for our buck.

AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, on February 1 I asked the Prime Minister a question. The question was based on a meeting the Prime Minister had with the premier of Saskatchewan last fall. The Prime Minister had said that if there was a need, the government would be willing to look at some other solutions with respect to agriculture.

I just want to refer to the response. When I rose in the House I asked the Prime Minister exactly what his government was planning to do with respect to agriculture in Saskatchewan as a result of the very poor harvest and the difficulties that exist in Saskatchewan at this time, he responded, and I quote: "This government brought in the GRIP. This government brought in the NISA. Both programs are greatly admired by Saskatchewan farmers".

The GRIP is not greatly admired by Saskatchewan farmers. Saskatchewan farmers do not like the GRIP. They do not like GRIP 91. They do not like GRIP 92. They do not like the Alberta or Manitoba GRIP. They do not like GRIP. That was made abundantly clear at a rally that took place less than a week prior to the day I asked the question. It was made very clear by the 13,000 farmers and others at that rally they did not like the program.

For a government and a party that purports to be such good managers of the economy, I find it strange that the Prime Minister knows so little about western agriculture, especially considering that his government has spent over $16 billion in direct payments in the last seven or eight years in this field.

Perhaps if the Prime Minister knew more about western agriculture that money would have been spent more wisely.

If the Prime Minister cared more about western agriculture and western Canadians he would not have eliminated one agriculture minister recently and given the other agriculture minister the position of justice minister. The justice ministry is a very full portfolio and that minister will not have time to deal with agriculture. He will be the agriculture minister in name only. We in fact have one agriculture minister.

It seems clear that the government has abandoned this area, that it has lost interest in this area, and we in western Canada are going to suffer for it.

We do not want to hear a litany of all the things the government has done, because they have not worked. Farmers and rural people, in fact all western Canadians, want to know what approach this government is going to take toward agriculture in the future.

We know there has to be consultation with the provinces. We know there have to be new programs developed. It is going to take the leadership of this government to initiate those programs.

What plan does the government have with respect to the future of agriculture? Oftentimes when governments do not have an answer they simply stand on their laurels and brag about all the things they have done.

I hope the government will not do that this time. Please tell western Canadians, please tell the people watching the parliamentary channel right now or those who will be reading *Hansard* what this government is planning to do with agriculture. What is the future direction with respect to agriculture in this country?

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the federal government has supported farmers at an unprecedented level. We are going to continue to do so. We are going to continue to use all the safety nets which happen to include NISA and GRIP.

Those programs were developed by the producers through consultation with the agriculture minister and indeed the Governments of Manitoba, Saskatchewan and Alberta. There was three-way participation. This was not by any means a unilateral agreement.

From 1985 to 1992 the federal government has provided close to $17 billion in direct payments to agriculture. Out of that $6.6 billion has gone to Saskatchewan. Much of this support was provided to overcome problems of drought and the effects of the international grain export subsidy war.

This year payments under crop insurance in GRIP alone are expected to increase to between $800 million and $1.1 billion in Saskatchewan, to which we are going to be adding $170 million from the agreement worked out a few weeks ago. I think my colleague mentioned the agreement that was worked out with that particular province.

In addition, we still have an offer of $63 million with Saskatchewan if we can cost share with the province. That represents a significant amount of money for a single province at a time when all of us at all levels are under restraint and other programs are being cut.

This government recognizes there are problems. We know that. We are making our programs as responsive as possible. The problems cannot be solved by more federal payments. The industry also needs long-term solutions and we would all like to see better prices. We want to see improved market opportunities, diversification and rural development opportunities. These are areas that we continue to work through.

We will be able to put more emphasis on GATT with regard to removing the subsidy war between the U.S. and the EC. Western diversification kicks in there as well.

I think the member will find that we have done a great deal.

HEALTH

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, on November 18, 1992 I put a question to the Minister of National Health and Welfare. I asked the minister if he would establish a full and independent inquiry, independent of governments, bureaucrats and politicians, with regard to a very serious issue concerning tainted blood.

Early in the 1980s the blood supply in many countries, including Canada, was contaminated by HIV. A study conducted by the Canadian Haemophilia Society provides reasonable grounds, and I underline the words reasonable grounds, to suspect that hundreds of blood transfused persons within Canada have yet to be notified of their HIV positive status.

• (1810)

The minister of health unfortunately rejected my call for an independent inquiry based on the grounds that it was not needed. He did however, to be fair and objective, say that he would consider an inquiry if it were needed to maintain Canada's faith in the country's blood management system and if the Red Cross and the Canadian Haemophilia Society were to request an inquiry.

On December 3, 1992 the Canadian Haemophilia Society called for a full independent investigation into the current blood system. Also five out of the six witnesses who have appeared before the subcommittee on health and welfare have called for a full independent inquiry.

I would hope that the parliamentary secretary, a very able and a very knowledgeable individual on the particular subject matter at hand, would avail of the minister as well as the department to concede to the request for an independent inquiry. To underline the sincerity of the request, I wish to tell the Chair and hon. members that the kind of inquiry we seek will certainly go back into years in which members of the opposition were in fact members of the government. This is not a witch-hunt of any sort. This is an opportunity to clear the air, to have an independent inquiry, in order to put some of these major issues to rest.

I would hope the parliamentary secretary responsible would respond in the affirmative, whereby careful and prudent consideration would once again be given to this request in view of the evidence which has come forward from reliable, sincere and responsible individuals following the issue for quite some time.

I hope the parliamentary secretary, in her usual way, could give me the kind of answer that would give

assurances to those people who are in desperate need at this time.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the contamination of the blood supply in the 1980s by the HIV virus really represented a source of great personal tragedy for many people around the world. Indeed Canada did not escape.

According to the federal government's extraordinary assistance plan for HIV infected blood and blood product recipients, 928 Canadians were infected with HIV in this manner between 1978 and the implementation of the blood screening in 1985.

Others of course have been infected from transfusions that were received between 1985 and the establishment of the assistance plan in 1989. To the best of anyone's knowledge, these cases are associated with donors who through a brief window period before having developed any detectable sign of HIV infection donated blood.

While anything less than perfect is really very lamentable, today we do have a high standard of security and quality control in the blood system. However I would like to review the role of the federal government. We are a regulator. Under the Food and Drugs Act, Health and Welfare Canada has been responsible for the regulation of manufactured blood products like factor 8 and factor 9 for the treatment of coagulation disorders like haemophilia since the inception of these particular products.

The first factor 8 was licensed for sale in Canada in 1969. Also under this authority in November 1984 the department required all manufacturers of factor 8 and factor 9 to heat treat all products for use in Canada by a method known to inactivate HIV.

The second component of the department's role is as national health advisor to Canadians. Through the department we report the results of surveillance of AIDS and we started as early as 1982. We have provided regular comprehensive information on AIDS since then.

The third element is the department's role in the blood supply was as a non-voting advisory member of the Canadian Blood Committee. The federal government relinquished its non-voting advisory role in overseeing the blood supply in 1989 when the provincial and territorial ministers of health agreed to establish the Canadian Blood Agency.

As my colleague mentioned the subcommittee of the Standing Committee on National Health and Welfare is studying this particular issue of HIV transmitted disease in the blood supply during a specific period, looking mainly at prior to 1985.

I know there are numerous witnesses we have not heard from yet but I can say that under the direction of our chairman from Delta in B.C., who is a physician, the committee will be bringing forth recommendations.

I am a member on that committee and look forward to hearing as many people as possible. We hope to come forward with recommendations that will be satisfactory to all members in the House.

EMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on February 12 I put a question to the minister of employment and asked him why he was proposing to totally deny unemployment insurance benefits to those who quit their jobs but could not prove just cause, when in 1990 his government brought in a penalty of seven to 12 weeks for the same matter.

I asked him why this excessive new penalty. Was the penalty he imposed in 1990 of up to 12 weeks not harsh and tough enough? If it was not, where were the studies to show it was not? Where were the evaluation studies? Where were the assessment studies?

Why after two years with a new rather harsh penalty of seven to 12 weeks was it necessary to bring in this new total disqualification of these individuals, especially when very often the matter of just cause is not clear cut? It is very difficult to prove and takes a long time to prove. It takes from two to three months on average to prove. We had one case in Montreal where it took up to two years.

Why is it necessary to have this absolute total disallowance of unemployment insurance benefits when you have another rule in the Unemployment Insurance Act that says you can only continue to receive benefits as long as you are ready and available for work?

I am saying this new proposed penalty is disproportionate to the offence. Under the present law a real abuser, the person who wants to quit without just cause and simply take a holiday, can be subject to a 12-week penalty. He then becomes eligible for benefits but if he is not ready and available for work he is totally disqualified. He does not get any unemployment insurance.

On the other hand is the person who wants to work but quits a job and has a just cause but cannot prove it because it is difficult to prove. Under the present law that person would get the 12-week penalty but would then qualify and immediately start looking for work. He would get unemployment insurance because he would be ready and available for work. He would be out searching for a new job.

Under this proposed law that same person would have no chance for any benefits whatsoever. He leaves his job. He believes he has just cause but cannot prove it. He gets turned down for one reason or other and is totally disqualified even though he is looking for a new job.

He does not want to sit at home; he does not want to go to Florida; he wants to work. He could not stand the situation he was in for one reason or another. Even under the new rules that were proposed yesterday under Bill C-113, he just may not be able to get his evidence together because it may be a grey area or an unclear area but he wants to work.

I want the minister to show me the evidence that this new penalty of seven to 12 weeks imposed in 1990 in Bill C-21 was not tough enough. Why did we have to go to this total disqualification, especially when we will have another provision in the law that says that if you are not ready and available for work at all times you totally lose your benefits anyway? I support that provision in the law.

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I am pleased to respond today. The member is correct. In 1990 I served on a committee where we spent a lot of time trying to deal with that bill. It covered a number of improvements, a number of reforms, one of which attempted to get a better balance between the training and retraining of workers, rather than strictly the insurance aspect, and staying out of work and collecting UI with no preparation whatsoever for returning to the work force.

Obviously with the restraint the government is faced with, there is no question that UI is a very big factor in the country's economy. It is over $20 billion a year. The current deficit in the UI fund is in excess of $4 billion.

There are a number of people who are using the UI fund who have quit without just cause. This government does not feel that the average worker in this country should be forced through their premiums to support people who leave their jobs for no just cause.

It is an opportunity in trying to address the restraints that are required to re-establish unemployment insurance with the insurance basis, to insure those who through no fault of their own have left their jobs and this government does not feel that the other workers should be forced to support them.

There have been a number of changes brought about in the new release of the bill. We have heard from not only members opposite but from people across the country. There is concern about how this is going to be applied. There will have to be extreme care taken by the government. It has added eight other major reasons of just cause. They were there before but they are there to try to ensure that the people across the country who have a legitimate concern will realize that this is not meant to penalize them and that the insurance program will work well for the unemployed people across Canada.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 38(5), the motion that this House do now adjourn is deemed adopted. The House therefore stands adjourned until tomorrow at ten o'clock a.m. pursuant to Standing Order 24(1).

The House adjourned at 6.22 p.m.

HOUSE OF COMMONS

Friday, February 19, 1993

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION (FISCAL MEASURES) ACT, 1992

MEASURE TO AMEND

Hon. Pierre Cadieux (for the Minister of Finance) moved that Bill C-76, an act to amend certain statutes to implement certain fiscal provisions of the budget tabled in Parliament on February 25, 1992, be read the third time and passed.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization): Madam Speaker, I am pleased to rise and commence today's debate on Bill C-76, the 1992 budget implementation act.

In so doing I note that it is almost one year since that budget came down. As with all budgets, they are debated and approved in principle. The will of Parliament is indeed known following that approval, yet here we are, almost one year later, proceeding with the implementation of the legislative measures that flow from that budget.

It is a sad comment on Parliament and rather indeed more a comment on my hon. friends opposite than on the government that one year later we are still debating it. It is regrettable the government is obliged to use closure to vote through a fairly straightforward measure the fundamental principles of which were approved almost one year ago by this Parliament.

That seems to be what has happened here. It is a sad state and a sad comment on the state of parliamentary democracy in this country that a government cannot proceed with fairly straightforward basic legislation without the imposition of time allocation and closure.

Nevertheless this government is determined to proceed with necessary restraint measures. It is determined to proceed with deficit control measures, and I might say that possibly, our hon. friends on the other side are finally getting the message.

Mr. Blenkarn: No they are not.

Mr. McCreath: I do not know. I have listened to their leaders. My hon. colleague for Mississauga South says that he does not think so.

I noticed as recently as yesterday that the leader of the New Democratic Party of Canada has now become a convert. She is for deficit control. We cannot necessarily make sense of it but we have certainly heard the recent pronouncements of the Leader of the Opposition with respect to deficit control.

• (1010)

I suppose at some point in the future we might even look forward to the day when my hon. friends opposite will not just talk about deficit control, they will actually walk into this place and support measures designed to achieve it. We will wait for that and some day we will see it.

I want to say two things in my remarks this morning if I may. As always, I will be very mindful of the clock, Madam Speaker. I will not abuse your patience. You have always been very indulgent of me in terms of the clock.

First I want to talk a little bit about the specifics of this piece of legislation. Then I want to talk about the subject of fiscal restraint and deficit control in general. Since my friends opposite have now become converts to this I would like to assist them in their learning curve of understanding the process by which this government has been making such significant progress over the course of the last eight and a half years.

Bill C–76, the budget implementation act, 1992 of course was in the budget. I might say it was a fiscally prudent, socially responsive and economically sound budget.

The budget contained measures to boost the competitiveness of Canadian firms and workers. It is interesting to note that it is having an effect. Canadian competitiveness is up 2 per cent in the past year compared to only a 1.2 per cent increase in our neighbours to the south.

Indeed the budget, the measures and actions of this government notwithstanding the gnashing of teeth from our friends on the other side would seem to be having a significant amount of progress.

As well, the budget brought forward further actions to reduce government expenditures in order that we could ultimately reduce taxes. I would remind all hon. members that last year's budget brought with it tax reduction.

When this government says it is going to bring tax reduction, it does. We had the proof of it in the 1992 budget. The Canadian public will experience that as they fill out their income tax forms this year. They will find that the bite is not great, but a little bit smaller which is at least an improvement over having taxes go up.

There were a number of tax relief measures provided in that budget for Canadian families and indeed for students and Canadians with disabilities. Measures were also part of the government's over–all strategy to promote economic recovery, strengthen Canada's international competitiveness and further control its expenditures.

Bill C–76 initially contained four elements. It contained references to the Small Businesses Loans Act, the Salaries Act, the Lobbyists Registration Act and the Canada Student Loans Act.

Since Bill C–76 was originally tabled, we have had the December economic statement which brought even more generous benefits and benefits that will be very positive incentives for small business in this country.

Due to the diligence of the Minister of State for Small Businesses and Tourism, that legislation has been brought forward. On this one I must give credit where credit is due. I must compliment my hon. friends opposite for not having held up that bill with respect to the Small Businesses Loans Act. That act is very important to thousands and thousands of small businesses in Canada.

I would like to commend them for working with the government to move that legislation along. It is now at committee stage. We look forward to seeing that legislation back very soon to be passed. Then small businesses from coast to coast in Canada can benefit from that legislation.

That leaves the three remaining elements. The amendments to the Salaries Act reduced the salaries of the Prime Minister and the cabinet ministers by 5 per cent effective April 1, 1992. I will be interested to see if my hon. friends opposite will be supporting this bill.

To not support this bill would be a clear indication that they believe the salary reductions should not hit the Prime Minister and the cabinet ministers. I assume if they vote against that it is their indication that they feel the Prime Minister and the ministers of this government are doing such an excellent job that they should not have their salaries reduced.

Unfortunately some of them might be beguiled into thinking it is because they hope to be sitting in the treasury benches some time before the next year or two or three should pass. I hate to break the news to them but I say they should look at their vote on this act more from the perspective of endorsing the excellent job being done by the incumbents on those benches right now.

Nevertheless this government believes in leading by example: do as I do, not as I say. That is why the Prime Minister, the Minister of Finance, the Minister of Forestry who I see here this morning and the Minister of Fisheries and Oceans along with others who are here, lead by example. Restraint starts with restraining oneself. That is a very commendable decision and a commendable example taken by these measures.

The Minister of Finance in bringing forward his budget also indicated the government would strengthen its cost recovery performance. One area we believe should operate on a cost recovery basis of course is lobbyist registration. We know the Lobbyists Registration Act is of great interest to members of this House.

There indeed is to be a fee imposed on lobbyists to cover the cost of that process. User pay of course is a concept that has underlined many of the policies of this government. Many people come before members of Parliament requesting that more money be spent, but the fact of the matter is in order for government to spend money, somebody has to pay. I do not hear indications of support very often from my friends opposite or anywhere else that they favour tax increases.

If there is not a user pay concept where it makes sense such as in a case of lobbyists who are obviously in the business to make money, it is only appropriate that the cost of providing that service be raised. I should point out that as is the practice with this government there will be full consultation with the constituency affected by this decision before it is raised. Concern was raised at the committee looking at lobbyist registration.

Some people or groups, for example student organizations or poverty groups, might be penalized by this measure because they lack the financial means to pay the registration fee to register as lobbyists. Quite simply, these people are not required to register as lobbyists unless they are permanently employed and are employed as lobbyists, permanent representatives making continual representations over the years to the government. In other words, a professional lobbyist. There is a difference between advocacy and lobbying and that is recognized and of course it is the responsibility of the lobbyist to recognize it.

With regard to the Canada Student Loans Act the amendments in Bill C-76 deal essentially with three major items: removing the six-month, post-school, interest free period as of the 1993-1994 loan year; updating the alternative payment formula for provinces choosing to opt out of the program in the future, including an increase to the period of notice for such action; and making the administration of the program easier by allowing the minister to prescribe the forms to be used.

These measures will remove the interest subsidy during the six-month period after borrowers have completed their studies when they are generally in a position to assume responsibility for repayment. Aside from self-enrichment, one of the reasons for further education is to provide and prepare oneself for employment in the work place. Notwithstanding the gnashing of teeth I hear day after day from some of my colleagues opposite, it is interesting to note that Canada in fact has the best record of job creation in the G-7. So this makes eminent sense.

I am dropping my paper here, Madam Speaker. I apologize for that.

In any event these measures will—

Mr. Boudria: Can you not drop some more?

Mr. McCreath: My hon. friend asked me to drop some more. There is so much wisdom here, I would not want to lose any of it because I know how much you are looking forward to hearing it all.

These measures will remove the interest subsidy during the six-month period after borrowers have completed their studies when they are generally in a position to assume responsibility for repayment. They will update an obsolete alternative payment formula to ensure that the cost of previously authorized loans in a province would be deducted from any future alternative payments. They will streamline the program as well.

It is interesting to note that since its inception in 1964 the Canada Student Loans Program has enabled more than 2.5 million students to pursue post-secondary studies thus contributing to the development of a well-educated and adaptable work force.

I bet a show of hands in this House would indicate that there are members present who over the years have benefited from that program.

Indeed an additional $100 million in Canada student loans was provided to needy students in 1991-92. This represents an increase of 16 per cent in assistance available under the program.

• (1020)

Notwithstanding the continued importance of the Canada Student Loans Program in maintaining an accessible post-secondary learning system, it is necessary to modernize the program to ensure its continued ability to provide assistance to needy students.

The amendments proposed in Bill C-76 should therefore be viewed in the context of other measures currently being undertaken by the government to strengthen and improve the Canada Student Loans Program.

The February 1992 budget signalled the government's intention to reform the program and this was reiterated in the December economic statement. The government undertook to initiate negotiations with lenders on a new financing structure for the program. The objective is to reduce the high default costs and improve the over-all efficiency of the program. Lender risk sharing, a new rate structure and administrative streamlining are among the anticipated outcomes of the new financing arrangements.

In addition, by reducing default costs and improving program efficiency, it will be possible to enhance assistance for needy students. Specifically, financial restructuring is expected to provide the scope to eliminate the 3 per cent guarantee fee on new loans and to increase aid to needy students, once again showing that this government listens. When that 3 per cent fee was introduced it was criticized roundly by my friends opposite. I am sure they will stand in their places today and commend the government for having heard what they and others have said in responding in this way.

I would like to emphasize that under the new financing arrangements the government will continue to ensure that needy students have access to financial assistance so they can pursue post-secondary studies. This was the purpose for which the program was created and will remain so under the new arrangements. The legislative amendments required to establish the new financing arrangements are expected to be introduced shortly.

I want to talk about some concerns that were raised in committee about the Canada Student Loans Program. In particular, members were concerned about two related issues; the rising student debt loads and increased bankruptcies.

With respect to the rising debt load of students, while the debt load of final year students has risen over the past five years, less than 5 per cent of Canada's student loan recipients had debts of over $15,000. About 85 per cent of the borrowers have less than $10,000 in loans. Those with higher debts are university students with the best prospects for high employment rates and incomes. In fact, most of the borrowers who default have loans of less than $15,000. Having said that, let me assure the House that the Secretary of State's officials will continue to follow the situation closely.

A related concern is the higher bankruptcy rate associated with higher student debt load. There has been a substantial increase in bankruptcies involving student loans, but for the most part this is the result of the weak economy over the past two years, with which we are all familiar. As well, with increasing numbers of mature students receiving loans, we are starting to see greater numbers of bankruptcies in which student loans are a relatively small portion of the debt.

The Canada Student Loans Program has served the country well during its 28 years. It has provided $7.6 billion worth of assistance to over 2.5 million Canadians, allowing them to pursue their studies at thousands of designated institutions. However, the government has recognized the need to modernize the program, to improve its effectiveness in providing learning opportunities. It is clear that the proposals for the program's modernization will ensure that it better serves the needs of present and future generations of students. Canada as a whole will benefit.

I want to speak briefly about the business of debt and debt reduction in general, because that is what this legislation is all about. It is about debt reduction and deficit reduction.

Federal debt piled up rapidly in comparison to the gross domestic product in the mid-seventies and the early eighties as structural imbalances developed between expenditures and revenues. I think it is important to understand this.

I noticed in following the debates that earlier this week the Minister of Finance made the comment that this government, in eight and a half years in office, has not added a single, not one penny—I believe he said a red penny, I have never seen a red penny—but not a penny to the national debt. It is true. On the other hand, the finance critic for the Liberal Party said: "But the debt has doubled since the Tories have been in power".

A reasonable Canadian might ask: who is telling the truth? It is very simple. They are both telling the truth. I think it is important that this business of debt be explained so that people can understand it. There are

three concepts: the concept of debt, the concept of deficit and the concept of surplus.

A deficit quite simply is spending more money than you are taking in. For example, when this government came into office in September 1984 it inherited a situation where the previous government was spending $1.33 for every dollar it was taking in. That 33 cents is a deficit.

A surplus is if you are spending less than you are taking in, which is what this government is doing today. In fact in the most recent year, notwithstanding the recession, the government saved Canadian taxpayers over $6 billion in spending on programs, $6 billion less than it was taking in. That is what a surplus is.

If you take the 33 cents more that was being spent than the dollar that was being taken in, once spent, it accumulates and is called debt. Debt is an accumulated thing.

If you have a credit card, it is great, you do not have to worry about what you are spending. If I want to spend money I spend until my pocket is empty, but if I have a credit card I can keep spending. I do not have any money any more.

By spending monthly more than I take in, I start accumulating a debt. Eventually I have to pay that debt off but there is a problem because as long as that debt is there it accrues interest.

We put money in the bank but we expect the bank to pay us interest on the money because what we put in the bank is a loan to the bank. The same thing applies in reverse. If I am borrowing money by using a credit card, the bank expects me to pay interest on it. The same thing applies to government.

It is interesting to note that when this government came into power in September 1984 the previous government of the day—that $1.33 I spoke of a minute ago—was running a deficit of $16 billion a year on its expenditures. Meanwhile that had accumulated a debt of $206 billion.

On the day this government came into office there was a deficit on actually running the government of $16 billion more than was being taken in. There was a $206 billion debt already accumulated on which in that year alone the interest payments were $22 billion.

Guess what? You have to add the $16 billion operating deficit, together with the $22 billion of debt that was accumulated in that year, and that is why when this government came into office there was a $38 billion deficit on the over-all accounts of the government.

What has the government done? The government had a different approach. It believed a business cannot be run that way and government is a business. It believed that debt had to be brought into line. The government has gradually brought that situation into line by reducing expenditures.

It is interesting to note that since it came into office, the government has reduced expenditures, compared with what its predecessor was doing, by an accumulative total of $118 billion. That is equivalent to all the money that was spent running the government this year.

The first year the government managed to cut spending down by $4.8 billion, then $7.9 billion, $9.4 billion, $11.3 billion, $14.2 billion, $20.2 billion, $23.3 billion and this most recent fiscal year, it reduced spending from what it would have been on the Liberal track of $26.9 billion. That is pretty significant.

What would have happened if the deficit control measures of this government had not been brought into line? Where would we be today? The $38.5 billion deficit which was the legacy of that Liberal government, without the restraint measures that this government had brought in, today would be, imagine this, $82.5 billion. The deficit would be $82.5 billion today. I do not even know if there is a computer that could add up what the debt would be in that circumstance. Of course the government has been bringing that deficit down. It is very difficult to bring it all down in one snap move. It takes time to bring it down. This government gradually reduced that debt through deficit reduction programs.

• (1030)

The $206 billion legacy, Mr. Trudeau's legacy to Canadians, with compound interest of $237 billion added to it would have totalled $443 billion. That is what the debt would be if we compounded Mr. Trudeau's legacy to Canadians. By operating since 1987 in the black, by operating with a surplus, the government has prevented the growth of that debt to the point that it is more in the vicinity of $420 billion today. It is still an outrageous sum.

It will take generations to pay off, but at least it is now under control.

I hear a lot of scoffing from the other side about what I am saying even though they know every word of it is true. The government has brought in many measures to control the debt. It is interesting to note that every one of these measures has been opposed by the newest disciples of debt reduction: our friends opposite both in the Liberal Party and in the New Democratic Party who are now converts to deficit control. We brought in measures to reduce the rate of growth of transfers to the provinces. They say: "Oh, shameful". They call that off-loading. The provinces spend money and the federal government is supposed to subsidize them whether or not it is out of control.

When we brought in Bill C-32, the Canada Assistance Plan Act, and Bill C-60, Federal-Provincial Fiscal Arrangements, members on the other side were opposed. The government has brought in measures to streamline the operations of government. There have been six pieces of legislation since I have been here: the Budget Implementation Act, 1991; the Debt Servicing and Reduction Account Act; the Spending Control Act; the dissolutions act; and the Government expenditure restraint act, 1990. Indeed we have the Budget Implementation Act before committee right now, Bill C-93. Every one of those was opposed by those people over there. We try to streamline government because we believe that leaner government can be as efficient as fatter government sometimes. Yet they oppose it.

We have privatized Crown corporations. There is a belief on the other side that whenever something is created in the way of a government body or agency it is supposed to be there forever. We believe that an agency, a council, a board, a commission or a department is created because there is a need for it. Once the need has been fulfilled we do not keep that bureaucracy and keep paying for it. If there is a better way to do it, if we can amalgamate, streamline and provide as efficient or maybe even a more efficient service to the public, then we do so. If the problem can be handled in the private sector our philosophy is that the government should get out of it altogether.

We have privatized a number of Crown corporations and every one was opposed by my friends on the other side. We brought in measures to restrain the salaries of public officials from the Prime Minister on down, as I said earlier and as is in this piece of legislation: the public service employment act, pension benefits act, budget implementation act and the government restraint act. Every one of these was opposed across the aisle.

We have restrained grants and contributions. We have reduced budgets by 10 per cent across the board. It is painful. Nobody likes to have their budget cut back. Frequently I have said, as have my colleagues, that when witnesses have appeared before us in committee they have said: "Don't cut this program; this program is important". Every program is important in the eyes of somebody. So to come before government and say "gore somebody else's ox, don't gore mine", just does not work.

Fair, responsible and competent government is government that tries to live within the means available to it. That means having the courage and the integrity, I might say, to bring together restraint when restraint is necessary.

What has been the results? The results are impressive. Everybody knows that we have been through a serious recession throughout the world for the last couple of years. It has hurt a lot of people. It has hurt people in this country. It has hurt people in my South Shore riding. It has hurt people all over the world.

My friends opposite would like to take a simplistic approach, assume the ignorance of the public and blame it all on the free trade agreement, the GST or something like that. However, if we look at the performance of our country compared to other countries during this difficult time, we find that the record is pretty impressive.

If we remove the inflationary effect and look at program expenditure growth in Canada, the record between 1984 and 1990 was .1 of a per cent while in every other G-7 country it was higher: 1.8 per cent in the U.S., 2.5 per cent in the U.K., right up to 4 per cent in Italy.

As I mentioned earlier, productivity is going up in Canada. In 1992 it was up by 2 per cent compared to 1.2 per cent in the United States. That is not a bad record.

Turning to job creation in Canada, we hear moaning and groaning about the free trade agreement and how we should all be afraid of the Mexicans because the NAFTA is coming. Let us take a look at the record. Canada has the best job creation record in the G-7: 12.9 per cent compared with 11.3 per cent in the U.S., 10.5

per cent in Japan, all the way down to 3.6 per cent in France. Our situation is not bad at all.

What is the alternative? We will have an election this year. Canadians are mad at governments. Generally speaking if governments take tough, responsible decisions they become unpopular. There is nothing that focuses the mind like the issuance of a writ, as I have heard the Prime Minister say on a number of occasions.

The minute that writ drops it is no longer: "How do you feel about the government", but "who do you want to trust the future of your country to? Who do you feel has the competence to handle what is going on?" There is no doubt in my mind about which way Canadians will go when the election comes. They are going to pick a Prime Minister and a government that have laid it on the line and have said: "These are the realities. We need the courage to face them". They are not going to pick an alternative.

We know where the New Democratic Party is coming from. It has presented its economic plan. We have seen its economic approach have an absolutely devastating effect on the province of Ontario in the last couple of years. We are also beginning to see the impact in places like British Columbia.

I noticed the Leader of the New Democratic Party yesterday came out with her economic policy document: *A Strategy for Full Employment*. I reviewed this document last night and I found it interesting that she said her strategy for new employment will eventually lead to 1,601,000 new jobs by 1998. That is in her plan. Her plan will involve spending more money.

It says in the document that the objective of the NDP is to contain the deficit over the next parliamentary term but not to reduce it. It is planning to increase taxes and increase spending. As a result the bottom line is looser money and fiscal policy, and a significantly higher tax burden on Canadians is projected, all to create 1,601,0000 new jobs, full employment by 1998.

Yet, if we look at the analysis of the Conference Board of Canada just following the same track we have been following, the one that has been opposed so thoroughly by the New Democratic Party, and getting the deficit under control, what will be the result? We must remember that NDP figure of 1,601,000 new jobs. The Conference Board says the government's approach will result in: 1,651,000 jobs or 50,000 more new jobs. This means there will be 50,000 more jobs plus deficit and debt control as well, as opposed to allowing it to mushroom.

I do not think anybody will be fooled by the recent conversion of the New Democratic Party to deficit control. It would have been better to have stayed on the track it was on. At least it was given points for integrity even if its policies were not taken seriously by anybody with a bit of an understanding of economics.

• (1040)

Then we come to our friends across the aisle, the government in waiting, as they see themselves. When the election comes the Canadian people are going to have to look at the Leader of the Opposition and at the Prime Minister. The Liberals think that the Prime Minister has been unpopular and Canadians say they do not like him. Canadians may not like the Prime Minister, I do not know why because I think he is a great guy, but that is fine, they do not have to like somebody to recognize his or her competence. Deep down Canadians know that this Prime Minister has the courage to provide leadership for this country, as he has done for eight and a half years.

When Canadians look across the aisle they say: "Where do the Liberals stand?" Where did they stand when the United Nations and Canada went to war? Where have they stood when they say they want to get the deficit under control? Where have they stood on every single measure that has been brought before this House to control expenditures and reduce the deficit in this country? They have stood against those measures. We can look at the list of items that have been brought forward for expenditures with no indication whatsoever of where the money would come from.

Finally, we see the new economics of the Leader of the Opposition and his party with his recent statement that he is going to abolish the GST. That is $15 billion. He is going to abolish it and only if Canadians elect him will they get to find out where the money is going to come from.

Do not take it from me. Some might not consider me an objective observer of this. Listen to what *The Ottawa Sun* has to say about Liberal Party economic policy. I quote from *the Ottawa Sun* on February 4 of this month: "Jean Chrétien has come up with his own Liberal brand of voodoo economics by promising taxpayers that a future Liberal government would wave a magic wand and make the nasty old GST disappear. The Liberals would actually replace the unpopular tax with a brand new business transfer tax of their own, a sort of GST, Grit sneaky tax. This scam is little more than a hidden tax intended to fool taxpayers". That really sums it up, does it not?

Here is another one. This is a good one from Claire Hoy in *The Sudbury Star*: "To find a replacement', Mr. Chrétien said, 'you have to know what you have to replace. We have to know the figures and we are not privy to that information'. That is a lie. Mr. Chrétien knows exactly how much money the government collects from the GST. It is no secret. The government puts out quarterly economic statements which even he can read".

I do not think there is any question. I can go on at great length, and I know the House would really like me to go on for quite a bit longer but I must give others an opportunity to participate in this debate.

Just as there is no doubt that Bill C-76 is going to pass the House today because it is the right direction and the right move for Canada, when Liberal economics and NDP funny money ideas are put before the Canadian people there is no doubt where Canadians will put their X. When Canadians have a chance to look at what is offered by the Leader of the New Democratic Party, by the Leader of the Liberal Party or by the Prime Minister, who has served this country so well for eight and a half years, there is no doubt what their vote will be. Their vote will be with me and this government to see that the progress that has been made for the last eight and a half years continues.

My friends opposite might as well vote for the reduction in those ministerial salary raises today because it is not going to hurt them one iota as they will not have the privilege of enjoying them.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, never has so much nonsense been stated in so little time from the member across—

Some hon. members: And so enthusiastically.

Mr. Boudria: —and so enthusiastically, and I am not going to comment on the physical properties of the member across, as he just did.

The long and the short of it is that little that we have heard today is factually correct.

First, let us talk about Bill C-76. As of last count, that is what we were supposed to be debating in any case. The member across told us that this House had not been fast enough to react and to adopt this measure.

I say to the member across that I make no apologies for the fact that I have no intention to pass the bill. The bill should be defeated and not passed. In any case, the allegation, along with several others, is factually incorrect.

First, the member said the government invoked this particular provision last February and that members should be ashamed for delaying the bill this long.

Maybe he is right in terms of shame. The shame belongs to the government House leader across the way. If this bill was so urgent last February, why did the government only introduce the bill in the House on May 1, 1992? It blames the opposition because it failed to introduce its own bill.

Second, in the unlikely event that I have not convinced the hon. members yet, does the House know when the government decided to debate the bill? It was on November 16, for the first time. This is a bill that was supposed to be urgent, according the member across the way.

After debating it for a whole three hours that day the government decided to invoke closure after another three hours. It blames the opposition for that. Then the government forgot about the bill altogether, completely, and it was put on hold. On February 5, after one day of debate in committee, it invoked closure at committee and returned it to the House.

Mr. Blenkarn: We did not invoke closure.

Mr. Boudria: The hon. member across does not know how to invoke closure in committee. I remember when he was the chairman of the committee on the GST. Surely he remembers how he did it.

On February 12 the bill was debated another day in the House of Commons and the government moved closure again. This is where we are. All of this would be silly

even if the bill was good, but the bill is bad. Therefore the member across has no case at all.

The hon. member talked a little bit about economics. I do not know in what subject the hon. member majored but it was probably not economics. He explained deficit reduction this way. He said: "When the Liberals left power the deficit was high and we have reduced it since". The deficit was $34 billion that year and it went from $34 billion to $35 billion. According to the hon. member across the way that is a reduction.

Every year in every budget the government has announced a deficit reduction but it is still at $34 billion. How does that constitute a reduction? That is the deficit.

Let us go to the national debt, which is the accumulation of all deficits for previous years. The member says that his party, his government has not increased the national debt. Who did it then? Was it the provincial New Democrats in Ontario?

Mr. Mifflin: They are trying.

Mr. Boudria: They are trying. Is it the devil that made him do it? The national debt went from $168 billion in 1984 to $450 billion this year.

Mr. Mifflin: It went there all by itself.

Mr. Boudria: It went there all by itself. It is not the fault of the member across the way. Bill C-76 is one of those so-called deficit reduction bills.

I want to deal with specific clauses of the bill. What does this bill do? It does two main things. First, it imposes registration fees on lobbyists. Second, it imposes fees on student loans. I want to address these two issues in sequence.

First, on the lobbyists registration issue, it is true that some lobbyists are rich. It is true that some of the activities of lobbyists have led us all to question what they are doing. There is a committee report dealing with that right now. It is also true that there is such a thing as a tier II lobbyist. They are advocacy groups, groups of farmers, groups representing public health organizations and so on. They are also registered as lobbyists. They are called tier II lobbyists in our system.

I know something about the act having assisted in the drafting of the report in 1987, the bill in 1988 and the review of it right now.

• (1050)

They are composed of a whole variety of groups. Whether they are rich or poor no one should ever have to pay for the privilege of seeing an MP. That is wrong. It is morally wrong.

Erskine May's *Parliamentary Practice*, our manual that dictates to us how this Parliament should operate, talks about this. It has been the authority for hundreds and hundreds of years. Let me quote from Erskine May's 20th edition.

It refers to the right to petition the Crown and Parliament. In other words, it talks about the right to make representation for what one wants, regardless of whether the group making that representation is a rich lobbyist like GCI or an organization like that, the Federation of Agriculture in my riding, or any other group.

It says:

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the constitution. It has been uninterruptedly exercised from very early times, and has had a profound effect in determining the main forms of parliamentary procedure.

It goes on to say:

> The rights of petitioners and the power of the House to deal with petitions were expressed in two resolutions of the Commons in 1669.

For 324 years people have had the right to make representation to those who they elect. It does not matter whether the fee is $1 or $1,000, no one should have to pay a fee to see me, the Prime Minister, the member across the way or anyone else. That is wrong.

Those who are advocating this say: "So what, the lobbyists are rich". Maybe some of them are. That is not the point. The point is that this institution exists for everyone and everyone should have the right to make representation to his or her member of Parliament.

I am not the only one who feels that way. The member for Etobicoke—Lakeshore agrees with me on that point. He has spoken eloquently on this issue both in the House of Commons and in committee, and he is a Conservative member.

There are several others who agree on that point. Any student of parliamentary procedure would understand that. If this debate was even entertained in the British House of Commons it would be thrown out as being unconstitutional. The member across the way is treating this as a joke but it is not.

On the other point if I may—

Mr. Blenkarn: How about Bill C-76?

Mr. Boudria: That is Bill C-76. Perhaps the member across should read it.

We are talking about the imposition of fees on people for the privilege of addressing their grievances to Parliament. That is covered in Bill C-76. Perhaps the member across has not read it. That is okay. He can. He can familiarize himself with the topic and then he will know that is exactly what this bill does.

The other part of the bill concerns having fees applied to student loans. There are a number of young people who work in this Chamber for us. They are our pages. Perhaps some of them have had to borrow funds in order to obtain an education. There is nothing wrong with that.

It is always better when we do not have to borrow because we do not have to pay it back. However for those who do, why should they have a 3 per cent tax on the privilege of borrowing the funds?

If a financial institution charged a tax for the privilege of borrowing from it we as a House of Commons would outlaw it. We would call it usury. We would call it all kinds of things. We would probably invent a new article for the Criminal Code to deal with it.

No private institution would dare do that. There would be so much bad press and so much bad coverage that it would not do it.

What will a 3 per cent tax up front on student loans do?

I will have to grant this to the member across the way: He is going to obtain $23.4 million with this measure. He is going to obtain $23.4 million from the young people of Canada who are trying to obtain a post-secondary education to hopefully make a better life for themselves, reduce the incidence of unemployment and obtain technical skills. This is how we reward them, with $23.4 million worth of fees added on to their costs.

If that is not bad enough, let me talk about the other clause of the bill. In fact, $35 million will also be yielded by the provision whereby students will no longer have six months after finishing school to pay the money back. They finish school in April or May, depending on whether they are going to a community college or a university. When they leave that school with everyone else, with the summer rush, with people scrambling all over to find a job, they are in competition with everyone else and are unlikely to get a job until September when all the others go back to school and they can finally position themselves. The months that were interest-free, to allow a student when he or she gets out of school to find a job, have been removed. Now they start paying interest right away.

The member for Mississauga South says that is right. I do not know if he means that is what is contained in the bill or if he means that he approves of it. I really hope it is not the latter. I hope that he as a free-thinking member, as he is known to be, will understand that is wrong.

My colleagues and I will not stand idly by. We will not give our consent to this bill. We are going to continue to oppose it because we feel it is wrong, on both counts I raised earlier. The member across can say that we should vote for the bill. It is all wrong but there is a clause in it to reduce the Prime Minister's salary and because there is a clause in it to reduce the salary of someone who is not even competent to do his job we should approve the bill. The rationale for that is a little hard to swallow.

If the Prime Minister does not feel that he is worth his pay that is his problem. Most Canadians would agree that he is not worth what we pay him and the same goes for his ministers. If they were judged on performance their salaries would not be too big.

Let us leave that aside for the moment because they are not going to be there very much longer anyway. They are in the fifth year of their four-year mandate. Sooner or later the Prime Minister and his government will have to muster the necessary intestinal fortitude to call the election. When the government does call the election the Canadian public will judge it. They will make the judgment so that it will not be a 5 per cent pay cut that the Prime Minister will get but a 100 per cent pay cut when he is turfed out of office by the Canadian public.

That is what they are going to do with him and his colleagues across the way.

My colleague from St. Boniface has spoken eloquently on this issue of student loans, as he speaks eloquently on a number of issues. My colleague from St. Boniface issued a press release on February 18 pleading with the government. This hon. gentleman is an educator. He is a tenured professor at a university and a professor emeritus, and knows this issue better than many other hon. members. He knows the damage this is causing.

I cannot understand this. We have a government across the way that has embarked on a program—and I know because I participated in the process in my own riding—called the stay in school initiative to try to convince our young people not to drop out and stay in school. It is a program to convince them that there is a better future for them. What kind of conflicting message are we sending to young people when on one hand we are telling them not to quit school and on the other hand we are imposing user fees on them if they stay in school and are removing the provisions to help them stay in school?

What kind of a message is that? It is a stupid message, that is what it is, and it is wrong. I know they have a majority government today. When the time comes consideration of this bill will end. On Monday there will be a vote on it because the government has invoked closure.

I say to the members across the way: "Never mind the nonsense; vote against this bill. It does not defeat the government. That is not true. That is hog-wash. Even if it is a so-called budget bill, it does not defeat the government. It defeats the bill". It would be a heck of a slap on the face of the Minister of Finance but it should still be done.

Madam Deputy Speaker: The hon. member may want to continue once we resume Government Orders later today.

It being eleven o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EXTERNAL AFFAIRS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, over one year ago the government recognized Croatia as an independent state, but the government has yet to initiate diplomatic relations despite the fact that the government maintains a consulate in Zagreb.

The House will know that the consulate in Zagreb is a consulate to the embassy in Belgrade and a virtual state of war exists between Croatia and Serbia.

I call upon the minister of external relations to immediately open diplomatic relations with Croatia, to make our consulate in Zagreb an embassy, and to quit the pretence that Zagreb is really a consulate for our embassy that deals with the Republic of Yugoslavia which for all intents and purposes no longer exists.

* * *

VICTIMS OF CRIME

Mr. Jack Iyerak Anawak (Nunatsiaq): Madam Speaker, late last year the RCMP Public Complaints Commission issued a report recommending among other matters that the Commissioner of the RCMP apologize to Kitty Nowdluk-Reynolds.

Kitty, Canadians will recall, is the young Inuk woman who was victimized twice in 1990. She suffered a vicious sexual assault and was then subjected to horribly insensitive and inhumane treatment by the Canadian justice system.

In January the commissioner apologized to Kitty for the inconsiderate and unacceptable behaviour of certain members of the RCMP. He expressed regret over their unprofessionalism and their failure to respect the basic tenets of human kindness. I thank the commissioner for his apology, but there are many other recommendations in the commission's report that need to be acted upon in order to improve the criminal justice system.

For Kitty's sake and for the sake of all victims I urge the government to implement these recommendations which deal with the special needs of persons who are victims of crime. Kitty's ordeal must never again be repeated.

S. O. 31

UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

Mr. Bruce Halliday (Oxford): Madam Speaker, I want to say a word this morning about the issue of world population and the failure of the UNCED meeting in Rio last June to address the appropriate issues there.

On December 30, 1992 Anita Gordon, media advisor to Maurice Strong, Secretary-General at the UNCED meeting in Rio who by the way is a Canadian, and co-author of the book *It's a Matter of Human Survival*, in discussing the failure of the earth summit at UNCED and referring to Agenda 21, the agenda for that meeting, said:

> In fact, if you examine Agenda 21 carefully, you'll see that what it does is talk about our symptoms. It does not talk about our basic problem. It talks about water quality. It talks about deforestation. It talks about loss of species. It does not deal with the fundamental problem, the thing that is sort of setting everything on fire on this planet, and that's the human species.
>
> It does not talk about how we ourselves are expanding on the planet. It doesn't talk about overpopulation and it doesn't—certainly not—talk about overconsumption, which is the problem in the West. And, because it doesn't deal with those two basic fundamental things, it really does not attack the root of the problem.

What we need is more foreign aid directed toward education and health care.

* * *

[*Translation*]

ARMENIA

Hon. Marcel Prud'homme (Saint-Denis): Madam Speaker, yesterday, Thursday, February 18, together with several colleagues, I had the honour to meet Mr. Varaztad Avoyan, member and General Secretary of the Armenian Parliament. Mr. Speaker Fraser even introduced him to the House. Later that day, he met some of those responsible for external affairs in my party to inform them of the terribly difficult situation in Armenia.

Without partisanship, we strongly hope that the Hon. Secretary of State for External Affairs of Canada will urge that this issue be put on the agenda of the United Nations Security Council. We ask that Canada raise the question of access for humanitarian shipments with our NATO ally, Turkey, and that initiatives be taken with the Russian Republic to consider with them an airlift to help these desperate people.

Madam Speaker, the situation is serious and I hope that hon. members of this House as well as the distinguished representatives of the national press will inform the Canadian people about the gravity of the situation.

* * *

[*English*]

SOCIALISM

Mrs. Edna Anderson (Simcoe Centre): Madam Speaker, over the past few years we have watched socialist governments around the world flounder, fail and fall as the people living under these antiquated regimes struggle to survive. All these are the results of decades of socialist ideology.

However, here in Canada we were treated by the federal NDP leader to a litany of socialist ideas outlined in yet another five-year plan for economic ruin.

In Canada we watch the NDP Ontario government and the NDP B.C. government struggling to keep their heads above water by blaming their mismanagement on the federal government, but the simple truth is that socialism does not work. Do not take my word for it; check the annals of history where there is ample proof.

* * *

PENNY PROJECT

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, what do you do with a million pennies? Well, just ask Ernie Penny. He is chairman of the Penny Project, a fund-raiser launched by the Foundation for Centre in the Park. The objective is to help raise some of the $262,000 which represents the foundation's share of the cost of expanding and renovating the Moose Jaw library and art museum.

Ten thousand dollars worth of copper is ambitious but in a vault in downtown Moose Jaw, I might add a vault with a strong floor, the pennies continue to mount.

Ernie Penny, Al McEwan and all the others associated with the foundation are to be congratulated for coming up with this marvellous idea, an idea which has received

national attention including a feature on CBC's *What on Earth*.

We have even managed to bring them some pennies from Ottawa. Now Ernie Penny and his committee should be especially proud of this accomplishment. Since I have arrived on the Hill there have been all kinds of groups that have been unable to get even one red cent out of Ottawa. The foundation however has managed to get a whole jar full.

* * *

CANADA POST

Mr. Peter L. McCreath (South Shore): Madam Speaker, is there no limit to the ingenuity of Canada Post to find ways to infuriate the Canadian public and to induce phone calls to the offices of members of Parliament?

Canada Post says that if a letter is delivered to you in error it is now your responsibility to place it in a new envelope, readdress it, put a new stamp on it and put it back in the mail.

It is nonsense. It is an outrage with which Canadians will simply not put up, nor should they. This measure will not result in Canada Post getting its revenues in order. It will simply result in a lot of mail being thrown out that should be delivered.

I call on Canada Post to immediately remove this silly directive.

* * *

TAXATION

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I rise today to express my disappointment over the government decision to launch a study on how best to collect tax on prepaid funeral trust funds.

By imposing yet another tax this government has shown its lack of compassion to the seniors of Canada. As it is, people must pay the GST on all funeral costs including headstones and caskets. Surely prearranged funeral costs should be spared from any unfair taxation.

People who prepay for funerals want the peace of mind that goes along with it. By taxing these trust deposits there is no incentive for persons to prearrange their funerals.

The government has unfairly taxed everything from books to women's hygiene products and now it is attempting to tax prearranged funerals.

I call on the government to stop its attack on our seniors who built this country. Surely our seniors have earned the right to peace of mind.

* * *

TRADE

Hon. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I was disappointed to learn the other day that the parliamentary committee studying the North American free trade agreement has decided to cancel a hearing in Saskatchewan.

• (1110)

I have a letter from Mr. Paul Brassard, co-ordinator of the Rural Life Ministry. He wrote:

> The tour to Saskatchewan has been cancelled. We were missed in April and now again. What is happening to our democratic process? We are a part of Canada and insist that we be heard on NAFTA.

Those are the facts from Paul Brassard, co-ordinator of the Rural Life Ministry, a highly respected group in Saskatchewan.

They have the right to be heard. The people of Saskatchewan have the right to be heard on NAFTA. I insist that a parliamentary committee go to our province and let the people speak. I am not sure what the government is afraid of or what the opposition is afraid of, but these people have the right to speak.

* * *

COMMUNICATIONS AND CULTURE

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, yesterday at the National Arts Centre in Ottawa a large map of Canada was raised containing more than 200,000 signatures in support of the recommendations of the Standing Committee on Communications and Culture Report entitled *The Ties that Bind*.

The raising of that banner marks the beginning of an aggressive campaign by Canada's cultural community to raise the priority for arts and cultural activities in the context of the forthcoming federal budget.

While that is a reasonable objective, I think the higher goal is to reach out to individual Canadians at all levels across the country in a campaign to create cultural awareness and to ignite the spirit of appreciation for and participation in cultural activities.

It is with the people of our nation that the priority for culture must first be elevated if it is ultimately to be reflected in government policies and budgets. That mission is one which has long been pursued by the Canadian Conference of the Arts. It is fitting that its launch of *The Ties that Bind* project yesterday will hopefully prove the catalyst to such a national cultural campaign on a continuing and lasting basis.

The arts and cultural activities in Canada deserve a higher priority both among the people of Canada and with their governments.

* * *

SEXUAL HARASSMENT

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, I rise today to express my utter disdain for the Prime Minister's cruel defence of the Minister of Fisheries and Oceans and his remarks concerning sexual harassment. The Prime Minister has only added to the agony of women who live daily with the contemptible behaviour the Prime Minister has condoned by failing to demand an apology from his minister.

Let me make it perfectly clear. Sexual harassment is not a laughing matter, ever. Sexual harassment destroys people, destroys families, poisons the work environment and keeps women subservient and stigmatized. Sexual harassment is not a compliment. It is not something with which one is favoured. It is humiliating, degrading, terrifying and soul destroying.

A few dozen or a few hundred appointments do nothing to help thousands of women who are being emotionally and economically destroyed by the obscenity of harassment. It is now the Prime Minister who owes Canadian women an apology.

* * *

ABORIGINAL FISHING STRATEGY

Mr. Stan Wilbee (Delta): Madam Speaker, the British Columbia fishing industry is facing another tense summer over the aboriginal fishing strategy. In order to maintain any conservation measures and to prevent serious confrontation between whites and natives certain things must occur.

First, there must be consultation with all parties involved: the processors, the sports and commercial fishermen, the natives, the province and the federal government. This consultation process is being initiated by the minister this week in Vancouver.

Second, there must be strict enforcement of all regulations on whites and natives alike.

Third, there must be a clear definition of the wording of the Sparrow decision.

Fourth, every effort must be made to maintain the high quality of B.C. salmon and to make conservation a priority.

Most important of all is a positive and co–operative attitude by all parties to maintain and enhance this valuable industry to the province of British Columbia and Canada.

* * *

UNEMPLOYMENT INSURANCE COMMISSION

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, on March 31, 1991, 500 workers lost their jobs when Abitibi's Thunder Bay mill was permanently closed. A year later 245 workers at Domtar's Red Rock mill lost their jobs when that mill reduced its operation. During the last two years hundreds more at Abitibi's provincial paper mill and other mills in Thunder Bay and area have lost their jobs as a result of downsizing.

The list goes on, with 200 workers at Canadian Pacific Forest Products now in danger of seeing their craft mill in Thunder Bay closing and yet another 100 workers at Provincial Papers as they continue to restructure.

Under the existing Unemployment Insurance Act anyone who loses his or her job and gets severance pay has to wait until the severance has run out before collecting unemployment insurance. Under that same act workers who in these cases have paid into unemployment insurance for decades are cut off from UIC after a total of two years from the date of lay–off.

In some cases family supporters who have paid into UIC for all of their work lives and who have never drawn pogey will not get one cent from this government.

I call on the government to act immediately to ensure that workers get the full UIC benefits they have paid for.

* * *

WORLD VISION FAMINE

Mr. Barry Moore (Pontiac—Gatineau—Labelle): Madam Speaker, for the last 15 years World Vision Canada has encouraged teenagers from across the country to abstain from eating solid food for 30 hours in an effort to raise awareness of the issues of Third World hunger.

If we take just a moment to think of our friends from the Third World it will incite us to make that little effort which can contribute to better living for those less fortunate people. We as Canadians can do something about it. Participating in this 30-hour famine will give us a great experience of sharing.

In my riding students from the St-Alphonsus School in Chapeau and students from the Cité étudiante in Maniwaki and elsewhere are participating in this 30-hour famine. I wish to congratulate the students and their teachers.

I urge all Canadians across Canada to take part in this worth-while effort to raise awareness of Third World hunger and to show that we care. We can only hope that our contribution can make for a brighter future for those less fortunate.

Thank you students on behalf of those who will benefit from your efforts this weekend.

* * *

CANADIAN FORCES RESERVES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I rise to record my concern and the concern of the Official Opposition over the charges made by the Auditor General on the Canadian Forces Reserves in his report last November.

The Auditor General stated that the reserve system as it is presently constituted provides only limited military capability. He also pointed out that the Department of National Defence needs to devise policies that will ensure a reliable format of reservists for training and in emergencies.

With the stated defence policy of a total force concept since 1987, the Canadian Forces Reserves are an essential component of the armed services. They are increasingly forming more and more of our peacekeeping forces serving in areas of increasing risk. They presently form 10 per cent of all peacekeeping forces but will constitute over 50 per cent of the relief battalion designated for peacekeeping operations this spring.

I call on the government to address this serious finding, either to deny it or confirm it and to explain the government's plans for its immediate correction.

ORAL QUESTION PERIOD

[*English*]

AIRLINE INDUSTRY

Ms. Sheila Copps (Hamilton East): Madam Speaker, my question is for the Acting Minister of Transport.

The government has no policy on seating capacity in the airline industry. On the eve of a Toronto economic summit the government announces runway expansion, but admits it has no financing. It claims it will create 6,000 jobs and revises that within 10 minutes to 2,000 jobs. The government has no position to resolve the problems at Nationair. The government may or may not encourage airline mergers. What we have here are farcical, piecemeal steps, secret meetings and joke announcements.

Meanwhile airline workers do not know whether or not they are going to have jobs, consumers are in a quandary and the government is paralyzed. Why has the government allowed the situation in the airline industry to be reduced to such a shambles?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, the government has a policy in the airline industry and that policy has been working. However, the policy is a continuation of the policy of deregulation that was suggested by the Liberal Minister of Transport.

There is a problem with airlines all over the world. They all are at present and have been for a year or two suffering from severe losses. This is true of Canadian airlines. It is true of American airlines. It is true of European airlines. It is true of far eastern airlines. It is a problem that the airlines have to solve. They are in the

private sector and they have to do their best to solve their own problems.

With respect to the situation in Canada, the government has been working with Canadian Airlines, as one of our two major national airlines, to see how it can be assisted in overcoming its present crisis. As well, Nationair has been having discussions with the Minister of Transport for some time because of its financial problems.

We will continue to deal with carriers on an individual basis, depending upon their circumstances.

[*Translation*]

Ms. Sheila Copps (Hamilton East): I wish to ask the same minister a supplementary question, Madam Speaker. We have a Minister of Transport but no one has any idea of what he does. We have a Minister of State for Transport but no one has any idea of what she does.

• (1120)

It is wonderful that these ministers have their nice limousine and access to government jets, but airline workers fear for their jobs and the public is afraid of losing service.

Does the government understand that its inability to solve the airlines' problems threatens the industry and undermines public confidence even more?

[*English*]

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I will ignore the silly cheap shots in those remarks and just deal with the substance of the question, if one could exaggerate a bit and say there was some substance to the question.

Mr. Hollis Harris of Air Canada put the situation quite succinctly a few days ago when he said that airline management has to accept that they made many mistakes themselves and it is not all someone else's fault. That is the situation exactly.

Airlines that are in difficulty have to hold themselves responsible for their difficulties if they over-expanded or made other mistakes in their operations. In the meantime it is not the fault of the government, but we are attempting to assist them anyway because we believe it is in the national interest to have two competing national airlines if that can be achieved.

As to the rest of the hon. member's remarks it is better not to respond and the way I feel about it today, I am not going to bother to respond.

Ms. Sheila Copps (Hamilton East): Madam Speaker, my question is for a minister who knows something about this issue. I would like to direct my question to the minister of state for small businesses who announced yesterday the policy of his government that there was going to be an expansion at Pearson International Airport.

One minute the minister announced the expansion was going to create 6,000 jobs and about 10 minutes later he admitted that it would in fact create 2,000. He also stated that he did not know where the money was going to be coming from.

Could the minister clarify who is going to pay for this half a billion dollar expansion? Will it create 6,000 jobs, 2,000 jobs or in fact no jobs because it will never happen?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, I would like to know whether the hon. member agrees with expansion at Pearson. She does not say that she has a position on this.

What was announced yesterday is an acceptance of the panel report. We are going to go ahead with immediate construction of the north-south runway and indicated that the east-west runways will be done as well. The three runways will create 6,000 direct jobs. We made it very clear. The first one is 2,000 jobs but when the other two come on it will be 6,000 jobs.

More important, by giving this indication yesterday, people can plan. Industries can be attracted to the Pearson airport. Airlines can count on runways and an operation which will be efficient and on time.

What we were doing with that announcement was putting in place a framework for a strong Pearson. It is one of the biggest airports in all of North America. It is very important both to the Canadian economy and to our international competitiveness.

Mr. John Manley (Ottawa South): Madam Speaker, my question is for the Acting Minister of Transport.

Yesterday in the committee the chairman of PWA Corporation, the parent of Canadian Airlines, said that the Minister of Transport must provide leadership in restoring order to the airline industry which is continuing to bleed due to excess capacity in that industry.

Failure to act is going to lead to the destruction of one or both of our national carriers while losses are continuing at a daily rate. When is this government going to stop issuing idle threats and take concrete actions to deal with the problems in this vital industry?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, if there is overcapacity in the Canadian airline industry and it is agreed on all sides that there is, the overcapacity was not caused by the Minister of Transport or the Government of Canada. We did not put a gun to anyone's head in the airline industry telling them to go out and purchase more aircraft or to acquire more equipment. These decisions were made by those individual airlines.

Now it ill behooves them to say that the problem they have caused should now be entirely resolved and all the problems overcome by the leadership of the government. The government provided a regulatory framework within which they should operate. If they have not operated successfully, they should examine the mote in their own eye.

* * *

RAILWAY INDUSTRY

Mr. John Manley (Ottawa South): Madam Speaker, the government has to play the hand it has been dealt, if it does not want to deal with the problems that are there, that are real and that are costing Canadians their jobs, why does it not get out of the way and let somebody else have a go at it?

It is not just the airlines. The Minister of Transport has been sitting on a report from the Rivard commission since the end of January that is telling him that the same problem is created for the railways.

Is this government going to sit back and let the railways go out of business the same way it has been sitting back and letting the airlines suffer? Does it have a transportation policy?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, the railways have a problem now caused by differences in the economy, in geography and in the way goods are carried. It is caused by billions of dollars in public funds going into roads so that their competition in the trucking industry has put them in a very difficult position, and so on. That is the reason for the problems of the rail industry.

With respect to the question of overcapacity, what does the hon. member want? He talks about jobs. Does he want us to order the airlines to let thousands of people go to meet his demands that the overcapacity be reduced? Why does he not adopt a policy of some specificity and tell us whose jobs are to go and how they are to go? Just whose capacity does he want reduced?

* * *

TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, my question is for the Prime Minister. Yesterday the leader of the New Democratic Party released an economic paper outlining specific proposals for an alternative to the government's policies. The fact is the New Democratic Party was prepared to put it in writing while the Liberals are still hiding on all the major issues in this country.

Yesterday in response to the document produced by our party, the government House leader said that he was opposed to our position of abrogating NAFTA and the free trade agreement. We still do not know where the Liberals are.

When the government House leader made that statement was he aware that another 250 jobs were lost in Oshawa in the radiator plant as a direct result of that continuing free trade agreement?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, I am in the process of reading the NDP economic plan.

An hon. member: It is good bedtime reading. It would put you to sleep.

Mr. Mulroney: It is not going too badly. I am getting there.

I have to say, with due respect for the leader of the NDP and my friend who just spoke, that while there is lots in there that I as a Progressive Conservative would disagree with, I commend the leader of the NDP for having the courage and the principle to bring forward a plan as opposed to the Liberals who indulge in shell games, hypocrisy and evasion of responsibility.

It happened that unfortunately the leader of the NDP brought out recommendations for example with regard to the cancellation of NAFTA on the very same day that Canadian exports jumped to $157 billion, the highest in history. Our merchandise trade balance with the United States reached $17.7 billion and trade exports to the United States are $20 billion higher today than when the free trade agreement was signed.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, that is cold comfort for the 250 people who have lost their jobs in Oshawa. It is cold comfort for the two million people who line up every week in this country at food banks and the 1.5 million people who have been unemployed since this government was elected and continued that chronic unemployment.

I do not expect specious answers from the Prime Minister. We do not know whether or not he is keeping his job. That is not what Canadians are concerned about. What we want to know is how can we get Canadians back to work when our jobs are going to the United States and will go to Mexico if we continue these foolish trade policies.

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, my hon. friend asks a very key question: how do we keep and build very good jobs? The answer has to be with an economy with low inflation.

• (1130)

Inflation is now at 1.5 per cent, which is the lowest in 30 years in Canada. I suspect it has a lot to do with low interest rates which in 1992 averaged their lowest in 20 years.

More important than that, it has to do with increased productivity, which is up by 2.6 per cent, and the lowering of unit costs compared with the United States. In the first three quarters of 1992, our unit costs were down 6.6 per cent, which means that this combination of activity indicates very clearly that Canada has become strongly more competitive, therefore in a position to sell more abroad and create value-added jobs at home.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, I do not suppose there is too much time in Question Period to get into debate. However, I want to make one point before I ask my question.

The unit costs have dropped simply because there has been a transfer of manufacturing tax off the corporate structure and on to the backs of the Canadian people through the GST. That is why the unit costs have dropped and that is where the Canadians are paying the subsidy.

There is 11 per cent unemployment in this country. In some regions it is up to 16 per cent. Does the Prime Minister think it is good enough for the Canadian people to hear nothing from the Liberals and sophistry from the government as they attempt to plan their lives in the face of all of these promises and still have no results?

What can he possibly say in terms of specific answers for jobs for Canadians now, not pie in the sky?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, on behalf of those indulging in sophistry, I cannot speak for the phoneys but I will speak for the sophists today.

To answer my hon. friend, there were some 57,000 new jobs created in December; some 45,000 new jobs created in January and it is forecast that approximately 350,000 new jobs will be created this year.

According to the OECD, employment growth for Canada in 1993-94 will be the highest of the OECD and the G-7 countries. Employment will be strong and durable, providing we keep inflation low, our unit costs low and we continue to strengthen our productivity and trade into new markets being opened by the free trade agreement and by NAFTA. That is the way jobs are created in Canada.

* * *

UNEMPLOYMENT INSURANCE

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, I want to ask a question of the Prime Minister.

Yesterday, his minister of employment delivered what can be described as a disgraceful speech before the Empire Club in Toronto where he attacked once again

the unemployed and the unemployment insurance system. He said that Canada's social system is like a net that catches fish. Hardly a proper reference to the many thousands of Canadian men and women who are out of work.

In the short time the Prime Minister has left, could he not find himself a minister of employment and immigration who would put his or her energies to putting people back to work and creating training opportunities rather than undermining the unemployment insurance system which is a basic fundamental element of the labour market in this country?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, the unemployment insurance system is precisely that: provided that its objectives are not distorted from providing for insurance against unemployment to insurance for just about anybody who chooses to leave his or her job for no reason or no provocation.

The ultimate original objectives were sound. Around 1971–72 the pattern began which has transformed unemployment insurance from something quite divergent from its original objectives.

The Minister of Employment and Immigration knows all about it. He comes from northern New Brunswick, and he is very sensitive to the questions raised by my hon. friend. He is aware of the value of these social programs to people because they impact so heavily on northern New Brunswick.

As a Canadian and as a minister, he is also aware of the greater damage that occurs when the fiscal strength of the country is drained away by abuses that should not be inflicted on ordinary Canadian taxpayers. He is in the process of trying to clean some of these up and he had hoped to count on the support of my hon. friend. Perhaps that will still be forthcoming.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, I would like to raise this question with the Prime Minister. He talks about distortions in the system. What is a more damaging distortion of the system than the fact that at present there are hundreds of thousands of Canadians who have already exhausted their benefits and have had to go on the welfare rolls?

In my own city of Winnipeg the rolls have increased by 400 per cent over the last couple of years simply because the unemployment system under this government has been undermined and has deteriorated.

Does the government know and understand that there is a very specific problem of people who want to work, who do not have benefits any longer, whose jobs are not there because the government policies have trapped them into an unemployment ghetto? When will we have a minister of employment who will begin to seriously address that issue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it would be interesting, apart from the criticism, to hear from a Liberal about a given plan. What are his ideas, apart from the criticism?

We have already indicated that the programs we have are good. They can be amended, they can be strengthened, consistent with the need to strengthen the fiscal framework of Canada.

My hon. friend may have noticed that in the speech by President Clinton the other night, one of the points he mentioned was that if he did not get a deficit reduction program in place of the nature he indicated, some $400 or $500 billion over the next five or six years, he was horrified by the thought that 20 cents of every tax dollar in the United States would go to service the debt. He said: "We must stop this. This would debilitate the economy of the United States if ever we got into the position of paying 20 cents on the dollar."

The day I became Prime Minister I inherited a situation where 32 cents of every dollar went to service the debt. In 1984, for every dollar of tax revenue brought in, we were spending $1.33 in services. It was an unacceptable situation. Whether my hon. friend was in government or in opposition or on the street, he knows full well that he cannot maintain this partisanship in respect of the fiscal needs of Canada.

* * *

EMPLOYMENT

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, my question is for the Prime Minister.

Yesterday in Toronto the Minister of Employment and Immigration continued his vicious attack on the victims of unemployment instead of addressing the causes of unemployment.

In view of the unprecedented levels of high unemployment in certain regions of this country, and I name Cape Breton which has an unemployment rate of 26.4 per cent, I want to ask the Prime Minister how will these changes, these new measures assist the unemployed find meaningful work?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, my friend refers to the unprecedented levels of high unemployment in Canada. I think the numbers, which were indeed too high at 11 per cent last month, were 11.7 per cent under the Liberal government when they turned it over to us in 1984.

The member ought to be more selective in his use of the word unprecedented, as unemployment was substantially higher. Parenthetically it was also higher, with inflation running at 12.9 per cent and interest rates running at 22.75 per cent. All of this has been corrected as well in the structural changes we have brought about.

How are jobs created? They are created by stopping the crowding out of the private sector in regard to interest rates, in regard to public borrowing, by strengthening our inflation rate and by strengthening the fiscal capacity of this nation to generate new economic wealth, which only comes about in one way, and that is by creating real productivity gains. Anything else is a myth. This country will prosper with new wealth only if we enhance our productivity.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, my supplementary is also for the Prime Minister.

On Wednesday and Thursday of this week we listened attentively to the Deputy Prime Minister actually brag about his economic policy and how some day, some magical day in the future it will be much better.

If the Prime Minister is so confident, so reassured and so certain of his economic policy, why does he not put them to the real test and ask the Canadian people to make a judgment on this tired, old, incompetent government? Will the Prime Minister do that, go to the Governor General?

• (1140)

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, if he is talking about somebody being tired, I feel as young as a spring flower. I feel young and frisky, certainly compared to some people I know.

I have already told my hon. friend that the NDP and the Conservatives are ready to have an election any time, but we cannot have one until the leader of the Liberal Party fulfils his obligations and tells Canada where he stands on the GST. This is the important thing. Where does he stand on free trade?

I will conclude simply. I hate to do this on a Friday, but the last time I heard the member for Winnipeg say: "Call an election and give us a chance" was in 1988.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I have a question for the Prime Minister.

Yesterday the Minister of Finance claimed the Conference Board of Canada saw great job gains from the present government's policies. This month the Conference Board testified to the finance committee that its forecasts on present government policies showed 9.3 per cent still jobless four years from now. The Conference Board said it is "a pretty bleak picture".

Why is the government supporting economic policies that have these bleak results for jobs? Will it not look seriously and in a non-partisan way at the NDP jobs plan which would mean only 7.5 per cent unemployed in four years' time, lower taxes for 80 per cent of Canadians and a lower deficit?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I find it interesting where the hon. member gets his figures and facts from.

The Conference Board, in its report, said that in five years' time 1,651,000 new jobs would be created. That is over a five-year period. I have read the NDP—

Mr. Harb: Propaganda.

Mr. McDermid: My Liberal friend says propaganda. Actually Grimm could not write a better fairy tale than this, I will tell you that. It is unbelievable.

In any event, under the NDP's make-work projects and the plans that it has brought forward, it is forecasting just 1,600,000 jobs which is less than what the Conference Board said.

If the Conference Board says that will bring our unemployment rate down to 9 per cent and the NDP are saying the unemployment rate will come to 7.5 per cent and you are relying on the Conference Board's figures, then you had better adjust this report that was released yesterday because obviously it is wrong.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the minister is comparing different things. What he should do is look at the unemployment rate projected just this month, as I say, by the Conference Board in its presentations to the finance committee of the House of Commons in which it predicted, and I quote exactly from it: "in four years' time the unemployment rate in this country will be 9.3 per cent". This is direct from Mr. Frank, the chief economist to the Conference Board.

The projection that the New Democratic Party has in its jobs plan is 7.5 per cent, significantly lower.

Why is the government prepared to accept this kind of bleak picture for jobs in this country? Why is it not prepared to give up its Count Dracula school of economics and get with it in the 1990s?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, first of all I must say to the hon. member that we will go to the four year period if he wants. He is saying that the NDP will have the unemployment rate down to 7.5 per cent in four years if we follow religiously its economic plan. The Conference Board, which he quotes, says it will be around 9.3 per cent in four years time. The Conference Board in that same report says that under the current economic policies of the government, in four years time 1,375,000 new jobs will be created. Under the NDP plan there will be 25,000 jobs less.

The hon. member had better sit down and take another look at this report which, by the way, is so badly flawed that it is really hardly worth reading. I would suggest—

Madam Deputy Speaker: We will continue.

SHAMATTAWA, MANITOBA

Mrs. Ethel Blondin-Andrew (Western Arctic): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development.

The community of Shamattawa in northern Manitoba has been plagued by a high degree of violence related to gasoline sniffing. In this case it has an incidence of 80 per cent gasoline sniffing. Alcohol and drug abuse are major problems. Children are suffering because they do not have adequate heating and safe drinking water due to a lack of electrical service.

A cost-sharing project between Manitoba Hydro and the Department of Indian Affairs and Northern Development was to have financed the desperately needed hydro land line to Shamattawa.

Why has the Minister reneged on his part of the bargain and why has he withdrawn his support and commitment to this project?

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I cannot comment specifically on the case of the project that my hon. friend raises, but I commit to her that I will provide her with a proper response.

The member raises another point that I think is very important and this is the question of the very serious issue across this country, but particularly in Manitoba, that is being faced by aboriginal children and families.

Since August of last year the department of Indian affairs has worked with a number of groups to deal with specific problems. Since September of last year the province of Manitoba with the department of Indian affairs and the Assembly of Manitoba Chiefs has set up a task force to look at all Indian child and family agencies in that province. I think that working partnership with all of the parties is going to be important to all of the aboriginal peoples in Manitoba and I hope the results can be an example to the rest of us across the country.

Mrs. Ethel Blondin-Andrew (Western Arctic): Madam Speaker, my supplementary is for the same minister. Having said that they have set up a task force does not address the issue that the Minister of Indian Affairs and

Northern Development is being pressured to cut $40 million from his budget by the Minister of Finance.

Having said that, how can the department begin to assume that it can assist First Nations when it is proposing to cut the aboriginal economic development program funding by 28.8 per cent, which constitutes a $20 million cut and which in turn will cost the already economically depressed and job-starved communities 8,700 jobs?

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I think my friend is referring at least partly to an article in yesterday's *Winnipeg Free Press*. Suffice it to say that even the *Winnipeg Free Press* sometimes has to deal in speculation. Not until the estimates are down are we going to be fully aware of what is rumour and what is fact.

I think it is important to recognize that the people of Canada through the Government of Canada have made a strong commitment to aboriginal people, not the least of which is a financial commitment to aboriginal people, not only in DIAND, health and welfare, CMHC, environment for the green plan, but in a number of other departments to ensure that the partnership the aboriginal people want to build to guarantee their participation in their future is reinforced in everything that this government does.

* * *

SERIAL KILLER BOARD GAME

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my question is for the Prime Minister.

The Prime Minister will know of the existence of a product known as the Serial Killer board game, the object of which is to play the killing of children as a form of entertainment.

I want to ask the Prime Minister if he is willing to do everything in his power and to give his own personal commitment to do whatever it takes to stop the importation into Canada of the offensive product known as the Serial Killer board game.

• (1150)

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, we are aware of that particular issue. I want to thank my hon. colleague for providing us with a copy of the petition and also this press release on the issue.

I am informed that the Minister of Justice has already given instructions to his department to look into the situation immediately and to make recommendations on how to resolve that particular issue.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I want to thank the minister for answering my question. The Prime Minister will be interested to know that I have here today a petition with 14,222 signatures. This petition was signed largely thanks to one of my constituents, Léna Cléroux, who is here in Ottawa today.

I would like to ask the Prime Minister for his personal commitment that he will use the provisions of the Customs Act to prohibit immediately the importation of a game which, I think he will agree, is extremely repugnant to Canadians.

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, I am told that the Minister of National Revenue has used this method. However, we must check the situation again with the Department of Justice to make sure that we can intervene in other ways as well and that all possible steps are taken to deal with this situation.

* * *

[*English*]

ABORIGINAL ECONOMIC DEVELOPMENT PROGRAM

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, in response to the government's December 2 restraints imposed by the Minister of Finance, the Department of Indian Affairs and Northern Development seems to be unilaterally attempting to apply the bulk of the budget cutbacks to the aboriginal economic development program.

The Federation of Saskatchewan Indian Nations has written to the Prime Minister and has analysed the effects of a proposed 28 per cent cut saying that the impact would devastate the emerging First Nations'

economies, create bankruptcies in the Indian commercial and industrial field and result in the countless loss of existing and future communities and membership.

Is the government prepared to exempt the Department of Indian Affairs and Northern Development's economic development work from the over-all cutbacks that have been imposed to ensure that the commitments that have been made will be honoured and the bands' efforts toward self-determination and economic self-sufficiency are enhanced?

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I was delighted to note earlier this week that even the New Democratic Party recognized that deficit reduction was the responsibility of all Canadians.

The Department of Indian Affairs and Northern Development shares in that responsibility as a department of government. Certainly that department, like every other, will have to go through a process that deals with its contribution to the over-all deficit reduction.

Certain programs in DIAND have already been exempted. I use the example of aboriginal housing. I can assure the hon. member that the minister and the government will review the expenditure reductions in light of being fair, making appropriate decisions and taking into account the success of CAEDS and other programs like that to enhance aboriginal investment and non-aboriginal investment in aboriginal communities.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I hope that the parliamentary secretary to the minister will have a look at the FSIN letter to the Prime Minister in which Chief Rowland Crow talks about the acknowledgement of this being the most disadvantaged and deprived group in the country and economic development being one of the most significant aspects of their future.

I want to also ask the government if under the circumstances it can do something that should not cost the government an extra penny, but gives aboriginal people through economic development a leg up. The Americans have a set-aside program for aboriginal procurements.

Is the government prepared to put legislation in place to allow procurement from aboriginal bands and specific purchases from aboriginal bands?

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I just want to comment briefly, although I am sure that my colleague the Minister of Supply and Services is better able to respond to the specifics, on two things.

I think we have learned a lot in the last little while, that more money is not necessarily the answer to all our problems, but spending it better. That is the message I get from aboriginal communities as well as Canadians generally.

Second, I would say that the suggestion my colleague makes, if not specifically able to be carried out, is the type of creative approach this government has taken in the past in co-operation with aboriginal peoples and others to make sure that the best possible advantage is taken of things like government purchasing or the construction of communities and homes.

* * *

GILL-NETTING

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, I have a question for the Minister of Fisheries and Oceans. This is a sort of seasonal question, but nonetheless a serious one.

As the minister knows, the practice of gill-netting is very destructive as a method of harvesting Atlantic salmon. There is a broad consensus among most angling interests that it is a practice that should be banned in the interests of conservation.

Will the minister consider banning gill-netting in 1993 and will he and his department enforce that ban once it is established?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, the hon. member has a great interest in the Atlantic salmon fishery as he well might, knowing personally the tremendous qualities of that splendid beast. I am very pleased to attempt to answer his question. He is also a great advocate of conservation in the salmon fishing industry.

As the hon. member knows, we had to manage the fishery under the Sparrow decision in a way that does not infringe upon food fishing activities, including fishing by aboriginals using their preferred means, unless there is a justification and conservation concerns to prevent that.

Last summer we negotiated agreements with a number of Indian bands in New Brunswick to have them voluntarily desist from the use of gill-nets. By the end of the season there was a marked decrease in the use of gill-nets. They opted into trap nets, guardian and habitat restoration programs. We are hoping to do more of that during this coming season and to reduce the problem of gill-net fishing.

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, the Department of Fisheries and Oceans has long predicated its harvesting regulations on the Sparrow case as a legal benchmark. Yet, gill-netting is a very destructive method.

Will the Department of Fisheries and Oceans consider challenging the Sparrow case in the interests of conservation?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, the solution lies in good fisheries management. It does not lie in challenging the Sparrow decision, but trying to ensure that the aboriginal fisheries strategy which provides for conservation and, we think, the needs of aboriginal peoples to try to see that strategy goes into full force and effect and is accepted by everyone in the fishing industry. That is what we are working to do. It is by agreement that you can achieve real progress, not necessarily by threats of enforcement and hundreds of thousands of cases that go to the courts.

We are proceeding in a way which we hope will get everyone's support.

* * *

AGRICULTURE

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, in the absence of the Minister of Agriculture, my question is for the Prime Minister.

Canadian farmers are being thrown off the land in record numbers while a fund set up by the Farm Credit Corporation to help restructure them and keep them on the land is not being used. In fact, only 20 per cent of those who apply nationally and 14 per cent in Ontario have access to this fund.

Why are 80 per cent of farmers in Canada who apply denied access to this fund which is there to keep them on the land?

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I am very pleased to take this question. That fund has been working for a number of years and working well for farmers. It has assisted many farmers to remain on the land and coming back to a competitive position.

The hon. member may think that we are not supporting them, but we have been supporting them and will continue to do so in the future.

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, I think the numbers really speak for themselves. In fact, there has been an over 300 per cent increase in the number of farms acquired by the Farm Credit Corporation over the last five years and a 1,700 per cent increase in the value of that land. In fact my office, as have many member's offices, has been deluged by many farmers who are both being denied access to this fund and whose farms are being undervalued by the policy of the Farm Credit Corporation.

• (1200)

What hope can this minister give the thousands of farmers who are losing their farms that they will be able to stay on the land? Will the minister instruct the Farm Credit Corporation to open up this fund to farmers to keep them on the land?

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, the fund has worked. The Farm Debt Review Board, an independent review board, goes out and meets with farmers and makes a recommendation to the Farm Credit Corporation. That has worked well and will continue to work that way.

Funding is one part that will keep farmers on the land but there is more to it than it. Agriculture has to be economic in Canada and the GATT agreements will be part of that. We will continue to work with farmers to provide them with a future through the safety net programs and various other programs we have brought

forward for the last number of years. We will continue to work with the agriculture programs that we have.

* * *

AIRLINE INDUSTRY

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, my question is for the Acting Minister of Transport.

The cornerstone of the government's aviation policy has been no regulation, leave it to the marketplace. Yet we hear that Nationair is coming cap in hand to the Government of Canada asking for financial assistance.

If the government wants to be consistent in its policy, will it say no to any kind of bailout for Nationair, particularly because it has thumbed its nose at the Minister of Transport who has asked for capacity reduction in the industry?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, Nationair has had some conversations with the Minister of Transport. I believe it is requesting some kind of financial assistance. Whether or not that could be agreed to or if it was agreed to, what conditions might be laid down is yet to be determined. The Minister of Transport has not reported to the government yet or recommended a course of action.

With respect to thumbing their noses at the government, it is hard to find anyone in Canada who has not.

* * *

[*Translation*]

PROPERTY TAXES

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, my question is for the Prime Minister.

Yesterday, several Montreal area ministers and hon. members received a letter from the city of Montreal asking that the federal government fulfil its undertaking not to destabilize municipal budgets through changes to grants in lieu of taxes.

Why is the government refusing to put an end to this freeze? It could keep the promise it made to the Federation of Canadian Municipalities in 1986. Why is it refusing, and why is it continuing to penalize an area where there are more than 225,000 unemployed?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, I believe the minister responsible for housing answered that question the day before yesterday and intends to provide further details next week.

I thought the hon. member from Montreal had risen to congratulate the government for bringing about the $400 or $500 million dollar investment in northern Montreal, which should create thousands of jobs in tourism. I thought the hon. member would point out this piece of good news for the Montreal area. He therefore has a further opportunity to congratulate the government and Canada on this great success.

* * *

[*English*]

POINT OF ORDER

QUESTION PERIOD

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I rise on a point of order.

My friend from the Western Arctic asked a question earlier concerning the specific case of the Shamattawa to which I was not able to respond. I want to give her an answer in respect to the concern she has expressed.

The question of the joint funding of the hydro line has been a subject of discussion. Unfortunately those discussions have not gone terribly well. However I did want to reassure my friend that the Government of Canada has not reneged on its commitment to jointly fund that line.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CULTURE

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, I have the pleasure to present a petition under Standing Order 36.

The petitioners say that culture reflects our country's values. Cultural activities are the means by which those values are nurtured and expressed. The petitioners ask that the Parliament of Canada adopt the recommendations of the standing committee report entitled *The Ties that Bind* and in particular that Parliament elevate the priority of cultural activities in the over-all context of its future budget considerations to ensure that further reductions in such funding will not occur.

I have an official document duly signed by 26 citizens of Canada. It is accompanied by a scroll I was presented with yesterday which is signed by several thousand citizens of Canada.

On the wall of the National Arts Centre is the continuation of this scroll in the form of the map of Canada. It contains more than a quarter million signatures. I appreciate the opportunity to make this presentation.

SERIAL KILLER BOARD GAME

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I wish to table a petition signed by 14,222 Canadians asking that the Government of Canada and this House ban the importation into this country of the Serial Killer board game.

[*Translation*]

Madam Speaker, as you know, the Serial Killer board-game proposes to entertain people by simulating the killing of children. The pieces used in the game represent dead babies. The game is packaged in a body bag. It is sick in the extreme, and we certainly don't need that kind of product in this country.

Madam Speaker, with your permission, I would like to take this opportunity to thank one of my constituents who helped me circulate the petition: Léna Cléroux, who is in Ottawa today.

[*English*]

CHILD POVERTY

Mrs. Ethel Blondin-Andrew (Western Arctic): Madam Speaker, pursuant to Standing Order 36, I would like to present a petition on behalf of my constituents from the Western Arctic on the issue of child poverty.

The poverty of Canadian children will yield ever increasing costs in the administration of health care, justice and social welfare and inhibits learning and preparation for employment constituting a cost for future national productivity.

VIOLENCE

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a petition signed by many hundreds of people from British Columbia who have noted that there is a link between violence in entertainment and desensitization to violence in our society.

The petitioners also express their concern about the fact that we are becoming a culture of violence and that violence has become an ordinary part of our children's lives.

The petitioners note that part of this culture of violence is the Serial Killer board game, a game which comes with a bag of 25 babies. The point of this game is to murder as many defenceless children and adults as possible.

The petitioners request that Parliament consider amending the Criminal Code of Canada so that violent and degrading material such as the Serial Killer board game and the Mass Murderer trading cards can be kept from being distributed in Canada.

[*Translation*]

SOCIAL HOUSING

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I have a petition signed by members of my community in Ottawa Centre. As you know, the latest federal budget cut funding commitments for social housing in 1992 by 34 per cent, which eliminates the strong federal presence in the housing sector that guaranteed the equal access to decent and affordable housing to which Canadians are entitled.

My constituents and I ask Parliament to urge the government to restore its commitment to social housing and reinstate all programs in this sector.

• (1210)

[*English*]

VIOLENCE

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, I have two different petitions today. The first petition can be added to those presented by my colleague from Glengarry—Prescott—Russell asking that the laws of Canada be amended to prohibit the importation, distribution, sale and manufacture of killer cards and the Serial Killer board game.

JUSTICE

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, in the second petition the petitioners request that Parliament recognize that crimes of violence against persons are serious and abhorrent to society.

The petitioners ask that Parliament amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of Government in the House of Commons): Madam Speaker, the following questions will be answered today: Nos. 444 and 445.

[*Text*]

Question No. 444—**Mr. Mifflin:**

Has the Department of National Defence completed or planned any studies concerning the effectiveness of our current submarine operations?

Mr. Patrick Boyer (Parliamentary Secretary to Minister of National Defence): No study has been completed recently or is planned concerning the effectiveness of our current submarine operations.

Question No. 445—**Mr. Mifflin:**

Will the Department of National Defence make public the expected concept of operations as well as the statement of requirement details of the corvette as envisaged by the defence policy paper of April 22, 1992?

Mr. Patrick Boyer (Parliamentary Secretary to Minister of National Defence): The corvette project has been formally designated in the department as the Canadian Surveillance and Sovereignty Enforcement Vessel (CASSEV). The concept of operations and statement of requirement are currently under development. A statement of capability deficiency has received corporate management approval. This document is classified confidential.

[*Translation*]

Madam Deputy Speaker: The questions enumerated by the parliamentary secretary have been answered.

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

Madam Deputy Speaker: Shall the remaining questions stand?

Mr. Bellemare: Madam Speaker, I rise on a point of order. When members present questions in writing, Standing Order 39(1) says that these questions can be placed on the Order Paper and addressed to various ministers. The questioner can also ask that a reply be given within 45 days.

This did not happen for two questions that I asked and I must tell you with regret that these two questions, Nos. 203 and 204, were raised on December 11, 1991 but were not answered for over 14 months. Yes, the answer took 14 months. In one case, I had asked that all departments involved in the question reply. The Department of Supply and Services, the Department of Justice and Statistics Canada have not yet responded.

As members of Parliament, we ask questions to be better informed and to be able to participate better on committees. The other day I sat on the public accounts committee and the subject was just those two questions. Strangely enough I had received the answer the day before.

If we have rules but they are not followed in this House, that is surely anarchy. For me in this case, anarchy means that I as a member of Parliament was not able to prepare carefully and in time for my committee meeting the other day. Furthermore, it is an insult to members not to receive an answer to a question that was raised very politely and within the rules.

Mr. Langlois: Madam Speaker, I would just add that the member's representations have been received today and that in the coming days, we will see to it that his questions are answered more quickly.

Madam Deputy Speaker: Another member wishes to raise a point of order but I would ask him to wait a moment.

I understand the hon. member for Carleton—Gloucester very well. I think that 14 months is far too long to wait when one is entitled to receive the answer and

especially considering that the answer should have come in 45 days.

Unfortunately, the Chair can take no concrete action at this time. Nevertheless, I will tell the hon. parliamentary secretary that the Chair instructs him to convey to the various ministers and departments that this way of proceeding is totally unacceptable. I might suggest to the hon. member that he discuss this matter in the House management committee. Perhaps the Standing Orders should be changed if the rule cannot be followed.

However, I do think that this unacceptable situation must definitely be changed.

So I go back to where I was. Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

NORTHUMBERLAND STRAIT CROSSING ACT

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING OF BILL C-110

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): On a point of order, Madam Speaker.

An agreement could not be reached under the provisions of Standing Order 78(1) or (2) with respect to second reading of Bill C-110, an act respecting the Northumberland Strait Crossing. Therefore, under the provisions of Standing Order 78(3) I give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at the second reading stage.

* * *

BUDGET IMPLEMENTATION (FISCAL MEASURES) ACT, 1992

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-76, an act to amend certain statutes to implement certain fiscal provisions of the budget tabled in Parliament on February 25, 1992, be read the third time and passed.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I would like to inform you that I wish to share my time today with the hon. member for Saskatoon—Humboldt. I will take the first 10 minutes and my colleague will conclude.

The bill before us today, Bill C-76, includes changes to the Canada Student Loans Program, a program that I have spent a considerable amount of time on during my years as an organizer within the national student movement and during my period of time as a member of Parliament.

There are a number of things I wish to say in the short period of time I have to speak. However, I would first like to put on the record some comments about the New Democratic Party's job creation paper that was released yesterday in Ottawa. It is a plan that will increase the number of jobs created in Canada over the next five years to 1.6 million, reduce the unemployment rate to 7.1 per cent, lower the deficit and bring down inflation, and it would achieve all of this without increasing taxes for low and middle income Canadians. Eighty per cent of Canadians would achieve these benefits without an increase in taxes.

I am proud of the accomplishment of my party and I will do all I can to promote this serious plan to the Canadian people. If we really want to address the employment problem in Canada we have to address education. Therefore we need a strong, adequate and fair Canada Student Loans Program to ensure that all Canadians, regardless of income, have access to education and training.

I would like to briefly quote from the NDP's job creation plan, from page 23 of the 60-page comprehensive, well-designed report. It says: "The skills and knowledge of the work force are critical to developing our economy, no less important than our country's physical and social infrastructure, investment strategies and research and development performance. By doing a better job at training and human development we will make our economy more competitive, improve employment and economic security for average Canadians and build social justice by helping reduce disparities in income and employment".

On page 24 it says: "Provincial and territorial governments have a critical responsibility to ensure that schools can do the best possible job at teaching basic skills and at preparing students for advanced education and the work force. Strategies must be developed to dramatically reduce the drop-out rate. Many of our schools' problems are linked to poverty. A full employment economic

strategy is one of the best ways the federal government can contribute to Canada's school system".

The hon. member opposite asks what that has to do with the bill in front of us. Very clearly it has a tremendous amount to do with the bill in front of us. A full employment strategy also ensures that students have an opportunity to secure jobs upon graduation, something they have no hope of doing now. The unemployment rate for youth in this country is abhorrent and something must be done about it.

• (1220)

I am deeply concerned about the lack of opportunity facing young people. I am even more concerned about the lack of interest this government has shown in their plight. There are few jobs, and with this one piece of legislation there is an additional financial penalty attached to being a young graduate and unemployed.

As a nation we have a much greater responsibility to Canada's young people. These young people must expect much better from this government. I am asking all members of the House to review the bill carefully, defeat Bill C-76 and get on with real financial reform in education.

The Canada Student Loans Program is a very important program. We know that from the statistics. It is well used but it could be much better used under better circumstances. Those who have problems with the bill certainly should have them addressed.

I quote from the latest annual report for the loan year 1989-90: "From the inception of the program in 1964 to July 31, 1990 approximately 1.9 million full-time students negotiated loans of $6.3 billion under the Canada Student Loans Programs".

Very impressive and obviously very important to the young people of Canada. We should know and be aware that 23 per cent of full-time university students in Canada who enrolled in degree programs received Canada student loans. We have to address the problems inherent in this system.

The most contentious aspect of Bill C-76 in my mind is the Canada Student Loans Program part of it. There are three aspects to it: minor housekeeping regarding forms, the repeal of the six-month, interest-free subsidy students enjoy when they graduate and changes to the cost sharing formula with provinces that have opted out, i.e. Quebec and the Northwest Territories, both of which I understand have not objected greatly to those provisions.

When fully implemented the repeal of the six-month subsidy will cost students between $30 million and $35 million a year. This is money that is being taken directly from young people who have recently graduated and have yet to find their first job.

This is a time when graduates face enormous unemployment, particularly those who are under 25 years of age. Earlier I referred briefly to the 16 per cent to 20 per cent unemployment rate for this group of people.

Even though students will not actually have to make payments until six months after graduation, the tab will be running on the full principal for an extra six months, a move that is sure to increase the number of defaults on loans. The level of default is already a serious problem with $150 million in defaults annually. Increasing the cost of student assistance will only increase defaults if fewer needy students apply which defeats the point of the Canada Student Loans Program to begin with.

Earlier this month we received petitions in the House with the names of more than 3,000 Saskatchewan students demanding the retention of the six-month study. Who are we best to listen to in this case? The government opposite that says this is necessary or the students themselves who have come and said: "We need to retain this six-month interest relief"?

The petitions signed by these students also call for the repeal of the 3 per cent tax that has been applied to them and the proposed elements of the lending for learning agenda that the government has imposed. In particular they called upon Parliament to re-evaluate and amend the Canada Student Loans Program to enhance accessibility, to guarantee 100 per cent of student loans and to improve accessibility to student loans for part-time students.

These matters are all very important to students. We owe it to them to consider them very carefully. When they have taken the time to review these matters in their own experience we should listen to them.

When Bill C–76 came to committee government members opposite refused to hear the testimony from students and insisted upon going directly to clause–by–clause study. One member exemplified the Tory contempt for students when he cited a case where a student used her $3,000 loan to buy clothes. Both he and one of the members who is in the Chamber today urged even tougher measures to collect student debt.

The opposition at that meeting walked out and the Conservatives went through clause by clause in less than five minutes and did not listen to or pay any attention to the matters raised with them by students.

In terms of collection, I have cases in my constituency right now where Revenue Canada is insisting on collecting what it says are defaulted student loans from 20 years ago. The students in these cases are now adults and are insisting they have repaid their loans. The banks have destroyed the records of all those payments and Revenue Canada and the Secretary of State are insisting that these loans are outstanding.

The government has to do something about dealing with these particular matters. We have to change the Canada Student Loans Program. I accept that. I acknowledge it. I insist upon it. We have to change the Canada Student Loans Program. A number of reforms must be made. This bill does not do it. We have to scrap Bill C–76 and get on with bringing in a real bill that will deal with the Canada Student Loans Program.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the member referred to the New Democratic Party economic program. He will know that program calls for a minimum corporate tax of 14 per cent. He will also know, if he knows anything about things at all, that corporate profits this year are at the lowest level in Canadian history, lower than in the 1930s, and that over 50 per cent of Canadian corporations are in a loss position.

I was wondering how many jobs the member would think would be lost if we decided to impose upon losing corporations, corporations making no profits whatsoever, a further 14 per cent tax. I suspect that the unemployment rolls would zoom beyond all comprehension. I was wondering if he would comment.

Mr. Taylor: Madam Speaker, I am more than happy to comment on the question raised by the hon. member for Mississauga South. I am aware he was part of the committee studying the student loans bill that managed to go through clause by clause in five minutes and did not even hear what many of the students had to say.

The member will be aware that in the United States a minimum tax on corporations already exists. It is something we have talked about extensively in Canada for quite some time. In fact at one point his government was looking at a proposal for a minimum tax on corporations to ensure that they pay their fair share.

Despite some of the numbers the hon. member has put before us, I find extraordinary that recently the Canadian Manufacturers' Association reported that it is having one of its best years ever. Yet it is employing fewer people and is projecting further job losses to the end of 1993.

We are seeing a situation in which the corporations are benefiting at the expense of the work force in this country, primarily driven by the forces of the free trade agreement in the United States and the North American free trade agreement in Mexico.

As corporations prepare to deal with a world economy which is run on a race to the bottom philosophy, they have forgotten that in Canada we have an economy that can be built upon a basis that relates to high wage, high skilled jobs. Those are the sorts of things we in Canada have to work toward.

I am proud of the work that has been done by the New Democratic Party, my colleagues, myself included, on developing this job strategy for Canada. I hope the government will not put on its blinders, continue to call names and fantasize about what this program is all about. Read it and study it, just as the Canadian people will because they are going to have to put up with it after the next election.

• (1230)

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I wonder if the hon. member in making his suggestion for changes to the Canada Student Loans Program is aware of what the premier of Ontario has done to the Canada Student Loans Program in that province. I wonder if he favours the reform that the premier has instituted where he cut all the grant portion of the program so that students now have to repay all the money instead of receive part of the funding in grants. Is that part of the reform he would like to see on a national basis to the Canada Student Loans Program?

Mr. Taylor: Madam Speaker, in one of my jobs prior to being a member of the New Democratic Party caucus and elected by the people of The Battlefords—Meadow Lake constituency, I worked for the national student organization in this country for four years. It fought very hard to establish ways in which students could have access to Parliament and the Canada Student Loans Program in order to talk about grants instead of loans as part of a national program.

We argued through the early 1970s that provinces did not have the capacity to fund these matters on their own. I would say that given the current circumstances where the free trade agreement is devastating the economy of Ontario the provinces have an extremely low capacity to be able to finance and fund programs like this one. There is a national responsibility for the Canada Student Loans Program and to education and training, and we have to accept that.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, I too want to deal mainly with the student loans part of Bill C–76.

Many campuses have set up food banks for starving students. Included in those universities that have had to do so is the University of Toronto, Simon Fraser, the University of Manitoba, the University of Alberta and Dalhousie University. I would think that is a pretty good indication of the dire straits in which students are finding themselves as they try to get education at many of the universities and colleges in Canada.

Students ask for loans because they are unlikely to be able to afford to get post–secondary education unless they can find some outside financing. Gone are the days when the summer job would finance a major part of the school year. Students do not take loans in order to get extra spending money. Most students do everything possible to graduate with as small a debt as possible. They do not look forward to starting a career with a $30,000 or $50,000 debt at a time when their wages are as low as they will ever be in their career.

Under the circumstances the changes to the Canada Students Loans Act appear incredible. This bill increases the qualifying definition of a full course load from 60 per cent to 80 per cent. This measure will hurt the working student the most and the working student is the person who needs the assistance the most.

Many students can only attend post–secondary institutions if they can work part time to keep themselves and their families in many cases housed, clothed and fed. Working and attending classes become almost impossible if one has to take a full program or at least 80 per cent of a full course load.

If students in this situation are having to both borrow and work to fund their education the government by this bill is indicating: "If you can't work you don't deserve to go to school. If you can't work you can't have a loan". The result in many cases is the exit from the educational process of one potential student who would be a well skilled, well educated worker in the future.

As I said earlier, most students try to enter their profession with as low a debt as possible.

One of the things that has made the debt less odious is the fact that at least it did not start collecting interest until you had time to be settled in a career.

When this bill is passed, the interest charges will start immediately upon the student graduating, giving no chance for the student to get settled in a career. This means an even higher debt when the individual does start to pay. These days the chances of getting a job immediately are slim. Government policies are sending our industries south. This has made jobs all the more scarce.

Speaking personally, after graduating, both of my sons spent two years before getting jobs in which they actually used their degrees. My daughter who graduated as a chef was luckier but then she could not get a student loan anyway for that particular course.

There is a move to pull away from the guarantee of student loans by the government, making the banks take the risk rather than the government continuing with its present guarantee. How will the banks handle this kind of situation? They will probably handle it exactly the same way as they handle increased risks in other areas, by raising interest rates or working on a floating rate.

This makes it that much more difficult for the students first to get the loan and second to pay it off when they are required to do so. Again, this increases the costs to the students and is a further incentive not to get into debt and consequently not go to school at all.

More than 7,000, and I noticed that my colleague said 3,000, post-secondary students in Saskatchewan have signed a petition urging the federal government to drop the student loans part of this bill. The government has made much to do in the last while about the value of training and the need to keep the standards and the educational levels of workers high.

Every one of the changes to the student loans part of Bill C-76 will have the effect of reducing the number of students who will be able to take advantage of post-secondary education.

Tracy Sletto, external vice-president of the University of Saskatchewan, has mentioned another problem not directly connected with this bill but still a problem, one that needs to be dealt with. Tracy Sletto has suggested that the differences in costs of education are not recognized by the student loan operation.

A third year dentistry student pays $9,660 for tuition and instruments while a third year arts student pays $2,200. Both students are allowed to borrow the same amount under the student loans program.

The students want assessments of needs of living expenses separated from the educational costs such as tuition, books and instruments. If this goes on, and Ms. Sletto goes on to point this out, eventually only students from wealthy families will be able to afford the more expensive professional colleges such as medicine and dentistry.

If students pay more, they should be able to borrow more. The financial barriers mean that some are turned away from particular colleges.

The changes in this bill are a step backward. It has been our pride in Canada to say that if anyone wanted and qualified for post-secondary education they would have an opportunity to get it. This bill moves us closer to the old days when only rich parents' children and the few lucky scholarship winners could aspire to post-secondary education. That was not so long ago.

The government, this party, should change that. It should take a more progressive approach to attempting to get more people into the education program. Possibly it should change its name from the Progressive Conservative Party to the Regressive Conservative Party.

• (1240)

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I think it is ridiculous that we are having this debate today. This debate was really part of the budget of the Minister of Finance about a year ago when the minister laid out all the provisions of this bill. The bill is really an implementation of that budget and should have gone through a voice vote last fall. The opposition in its usual fashion has held up this bill as it has held up every other bill that was presented.

Let me give a list of the bills on which this opposition has had to take the government to closure. Bill C-32, the Canada Assistance Plan, putting a ceiling on the growth of federal contributions. Bill C-60, the federal fiscal arrangements act by streamlining the operations of government. The Budget Implementation Act of February 1991; the Debt Servicing and Reduction Account Act; Bill C-56, the Spending Control Act; Bill C-63, the Dissolutions Act; Bill C-69, the Government Expenditure Restraint 1990 Act; Bill C-93, the Budget Implementation Act that is now before committee. We were forced into time allocation on that bill last week.

On the privatization of Crown corporations, Bill C-8, the Crown corporations restructuring act; Bill C-13, the Nordion Divestiture Act; Bill C-38, the Telesat Divestiture Act. Both are acts to try to get the government out of business and put money into the till by restraining the salaries of public officials. Bill C-26, the Public Service Employment Act; Bill C-55, the pension benefits act; Bill C-76, this act. We are on closure on this act on third reading.

We had to close second reading, we had to close report stage and now we are having to close third reading. It gets crazy. Of course we have Bill C-113 that is likely to receive closure as well. It is closure, closure, closure and that is from both sides of the opposition who say that we

have to restrain spending, get at the deficit and make government more efficient. That is what we are doing.

Every time we bring forward a measure to try to get some efficiencies into the thing, to try to cut down the cost of government, to try to run things more effectively, this group claims across the countryside that they think the deficit is important. They think the debt is important. They want to increase it. They do not want to cut anything or change anything. Just leave it all the same. Yet day after day in Question Period they ask: "Why do you not spend money on this or more money on the other thing".

This a group of phoneys. They say they have a program and it is only one program of spend, spend, spend, borrow, borrow, borrow and I suppose, print, print, print. We will be like Argentina before we know it.

Let us deal with this bill for a moment. I was involved with this bill at committee. We heard from the government officials with respect to the bill. They went over what they hoped to save the taxpayer on the bill. It is not a lot of money, but there is some, as mentioned on the student loan part, getting students to pick up the interest. They do not have to pay right away but they have to pick up the interest from when they leave school. They no longer get a six month free ride. They have to pay interest on their borrowings. They do not make payments for six months but they have to pay the interest. There are some costs there and that is quite an important saving to the government. We cannot carry on with programs that are free lunches and hope to cut back the cost of government.

The bill also deals with certain fees. We have the lobbyist bill before the committee now. This bill imposes a fee that is to be set by regulation on those who are professional lobbyists.

The cost of running a lobby program is about $450,000 a year. It is only realistic that the people involved in professional lobbying ought to pay the costs of supervising the lobbying program. We expect the banks to pay the cost of supervising the banks. We expect the trade unions to pay costs when they want to be supervised. You expect airlines to pay costs for landing fees and so on. These are costs that have to be borne and there is no reason why those who are in the business of earning a living by lobbying government as professionals ought not to pay for the regulation of their services.

This is another part of this bill. It cuts down the cost to government. We also of course cut down the cost to government in this bill by reducing the salaries of the Prime Minister and the ministers of the Crown. Now that is not a lot of money, but it is $80,000 or $90,000 a year and that is important when we look at the financial conditions of this country.

Let me deal with the student loan portion for a moment. The suggestion is that the students were prevented from making any representation. That is not so. However, I want to say to you, Madam Speaker, that no student organization produced one brief, made one suggestion or produced one idea as to what changes within the fiscal constraints of the government, within the terms of the budget of the government passed by this House, could be made to this bill so that we could perhaps alter the bill in committee and come back to the House with something that they would like better. Not one brief, not one suggestion and nothing in writing other than a couple of letters that said: "We would like to appear". Why would you like to appear? Set out what you would like to appear for, you have had a year. The budget has been before us for a year.

There was not one bit of paper, not one set of ideas, not one explanation, nothing. Therefore we decided in committee that since there was nothing before us, we had other things to do and we had to pass the bill, so we passed the bill.

The opposition did not like that motion and so they walked out. The opposition walked out of committee. They did not come and make proposals in committee to amend the bill. Not on your life. They did not file a single amendment in committee as to how to amend the bill. They brought forth no suggestions and so we went ahead and passed the bill. We could see nothing wrong with the bill. It did not take us long to pass it and we passed it. Of course we passed it, that was our job, that is why we were on the committee and that is what we were doing. We were looking at the legislation going through it point by point and we did. We went through it point by point and we passed the bill.

We did not pass one section of the bill. One section of that bill dealt with the Small Businesses Loans Act. We did not pass that section. Another bill was before the House dealing with the Small Businesses Loans Act so we did not pass one section of the bill. We just refused to pass it. Therefore, that section of the bill is no longer in the bill that is before this House.

This whole matter of saying we foreclosed them out of committee, we somehow damaged their rights to appear, we somehow refused to hear the case is specious. It is not worthy of anything. To stand in this House and suggest that somehow they were abused, that somehow they were hurt is just not so. The Liberal Party and the New Democratic Party did not stay around for the clause by clause study, they walked out. They thought: "Well, we will walk out. We are on strike. We are not going to represent Canada any longer. We are not going to stay in committee. We are going to walk out".

They then come to this House and say: "They walked out. They did not have a chance". They had the opportunity to stay there, they had the opportunity to make amendments, they had the opportunity to make suggested amendments but they did not do it, they walked out. Of course that is what they do. They walk out.

• (1250)

An hon. member: They walked out today.

Mr. Blenkarn: I am not supposed to comment that way but they certainly walked out. Let us go on with some of the problems we have to face as a government.

This year the provinces, the provincial power corporations and the federal government will go to the markets of the world to borrow $60 billion. After this year is over the cumulative debt of the power corporations, the provinces and the federal government will be well over $650 billion. Right now the amount of money owing by the provinces, the power corporations and the federal government to foreigners and Canadian corporations to foreigners exceeds $300 billion.

We are probably the greatest indebted country in the world and certainly per capita we are. The question is: does Italy owe more than we? Certainly not to the outside world it does not. We are terribly in debt. We are so terribly in debt that it has been expressed by many, including the C.D. Howe Institute last week, that we are in danger of not being able to borrow more money at all.

Last September all of a sudden we could not sell our treasury bills and interest rates had to rise. They rose by a good full 2 percentage points, nearly 3 percentage points. Our treasury bills at that point had been selling for 5.5 per cent and all of a sudden they were selling for 8.5 per cent.

We blamed that on the referendum. We said that because of the dislocation of the referendum the markets had decided to forget about Canada. They would not trust us. The referendum probably had something to do with it but probably not everything because in November when the referendum was all over—there was no referendum debate in November—the same thing happened all over again. Only this time it went to 9 per cent.

Now we have been able to chisel rates back down again bit by bit but it is fragile. It is very fragile. Our financial conditions are not good. We have borrowed far more money than we can afford to pay back. We have to get our House in order and we cannot tax more. We cannot, like the New Democratic Party would have us do, put taxes on corporations that make no money. Otherwise they would go out of business. The fact is profits are far too low.

Our friend from Windsor was making a comment about Mr. Frank's statement before the finance committee concerning the Conference Board. Several people came before that committee. Most of the time the member from the New Democratic Party did not want to be there because he did not want to listen to this stuff—and he was not there and nobody represented the New Democratic Party. They did not want to listen.

The fact is we are in danger of having our credit cards pulled completely and so here we are. We cannot carry on with any more borrowing and we cannot carry on with any more taxing.

There is no point in trying to raise the taxes on the wealthy. They will leave the country like they have already done in many cases, taking their investment income through tax havens. It is not hard to do. It does not take a genius to figure out how to avoid Canadian income tax if you have lots of money. Those are the kinds of people they want to tax right out of the country. Instead of bringing them into the country and keeping them here where they will invest, they want to throw

them out. That is supposed to create jobs. Yes it will create jobs for tax planners, airlines and movers. One-shot jobs and that will be it.

They talk the game about reducing the debt. The fact is that we cannot continue to run deficits. We have to priorize our government activity and only do those government activities that we really can afford to do.

I am going to say this as a member from this side, that our side has not been nearly tough enough in cutting back on the cost of government, on cutting back on expenses or activities. Simply, the time has come when we can only spend what we take in in taxes. We do not have any more money left and we cannot borrow any more. We cannot get any more by the printing press. We cannot get any more by taxation. We have tapped the well dry.

Therefore, we have to start learning how to cut our cloth. What we ought to be doing in this House is not debating this bill, but debating the activities of government and what activities they think and we think on a priority basis the government could get out of.

Somewhere along the line we are going to have to cut back on the amount of government we have. Whether that means in the entertainment field, whether that means National Film Board, whether that means changing unemployment insurance very much more dramatically than we have, or whether it means in transfers for education or loans and so on, we are going to have to cut back because it is not there any more. The well has no more water in it. We cannot keep adding on to the deficit and adding to the debt and not paying it back.

I regret this debate because I think it is a foolish debate. It is a debate about spending more money. The government has come forward with a plan that cuts back in a very minor way some of the benefits that some people have had. The lobbyists are going to have to pay a fee. The Prime Minister and his cabinet ministers are going to have to take a cut. Students are going to have to bear the interest on their loans from the date they leave school, though they will not have to commence payment until six months later.

In other words, we are going to have to cut back a bit. They say no and we say it is about time we started looking at the problems. I want to say that this bill is not nearly tough enough considering our financial condition. To stand and object to this bill as they have shows complete lack of understanding of the condition of Canada.

Mr. Phillip Edmonston (Chambly): Madam Speaker, I would like to set the record straight if I may with two very quick comments. Then I would like to ask my hon. colleague a question.

On the remarks that my colleague made referring to the members of my party, the New Democratic Party, not wanting to listen to witnesses in committee, he should perhaps go back to the record. The NDP and others walked out of the committee because we felt that the committee itself was not really ready to listen and consult with students and people most affected.

It is important to know this information. Then you do not start giving motives to people in order to try and make them look bad. I would just counsel that to my colleague because people who are listening to us here in Parliament would appreciate us to at least state the fact that the opposition did walk out. But the opposition felt that it had been provoked primarily because the government side was not really prepared to listen to the people most impacted.

My hon. colleague used several words in talking about this being a foolish debate. I do not think it is a foolish debate. It is an important debate where we are going to be opposing Bill C-76 as a party. That is because we believe if we are going to change the rules in this particular legislation involving student loans then perhaps we should first force the government to do what it said it would do before accepting any of the changes to the law that it wants.

• (1300)

We would like the government to first, lift the 3 per cent tax on student loans and second, increase the weekly loan limits that were last raised in 1984 as a precondition—and I hope that my colleague hears me—to supporting the government's other initiatives.

Before we talk about raising taxes, before we talk about further burdening the Canadian taxpayer, can we not have an obvious sign from this government when it makes promises in committee that the reason it is going with this particular law is because it will enable it to

reduce the 3 per cent or eliminate it and also increase the allowance? Can we do that first?

Mr. Blenkarn: Madam Speaker, my hon. friend from Chambly suggests they will go along with our bill if we take away the 3 per cent charge.

The 3 per cent charge is no darned different from the charge we make to CMHC on a CMHC loan when you get a government guarantee on a CMHC loan from your bank. We charge 2 per cent on the full amount of that loan. Here we are charging 3 per cent. It is a flat fee and is charged against the loan.

It is a realistic charge because it covers the cost of the government doing the insuring. It is a trade-off on the insurance. That is what it is. You do not have to borrow money on a student loan. You can go to the bank and borrow money if you want on your own.

This is a great deal. We give you a student loan. You do not pay interest during the time you are in school. Sure, 3 per cent is added to the amount of the loan to cover the loan insurance cost and then you start paying it back six months after you finish school. It is a pretty good deal.

The hon. member complains and says he wants the amount lifted from 1984. We would love to lift the amount. Again where does he think we will get the money from? Where do we get the money for these things? Who do we go after to get the money? Where do we get it? Do we pull it out of mid-air? Do we go behind this building and pick the trees—there are some beautiful money trees back there. That is the way they think. I only saw a big deep river valley back there. There are no money trees.

The suggestion that somewhere along the line we should just lift the 3 per cent levy, that we should increase the loan limits makes no sense.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, there seems to be a contradiction between what the hon. member is saying with reference to the 3 per cent administration fee and what the Minister of Finance said on February 25, 1992 when he delivered his comment in this House on the budget. The finance minister said: "In addition my colleague the Secretary of State will be negotiating a new arrangement for student loans with financial institutions. The expected saving will provide scope to improve the Canada Student Loans Program and to eliminate"—and I stress the word eliminate—"the 3 per cent administration fee on student loans".

Is the member in agreement with the Minister of Finance or do we have two views on this policy? Does he support the continuation of the 3 per cent fee on the loan or does he support what the Minister of Finance said and that is to remove it?

Mr. Blenkarn: Madam Speaker, it is very simple. If you negotiate a deal with the banks to take a portion of the loan risk then the government would waive the fee.

The trouble is the government wanted to get the banks to take 10 per cent of the loan risk. In other words, we would only insure to 90 per cent. The banks said: "Oh, no. We want 100 per cent coverage". You cannot have it both ways. We would like to be able to negotiate a deal with the banks to get them to carry these student loans risk free. We would guarantee 90 per cent but they would be stuck for 10 per cent of the loan and they will not do that.

There is a question of trying to get the matter running right. I understand where the member is coming from but we need two to make a bargain. We are using the regular banking system to put up the money because we do not have the money ourselves. We must have the bank supervising this loan arrangement. We would like to see the banks take a piece of the risk but the banks refuse to take a piece of the risk, probably because the students have not proven themselves to be very good commercial risks. It is a bad comment on a lot of our young people who go to universities and borrow money from this program, but the number of defaults has been literally amazing. That is an unhappy matter.

There we are. We have a fee to cover the risk and we have not been able to negotiate it out.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization): Mr. Speaker, just very briefly. I listened to my hon. friend speaking about Canada's credit rating and I know he is a nationally recognized expert on markets and these things.

Therefore I ask: in the unlikely event that the money markets, money managers and so on came to believe that there was a serious possibility that there might be a Liberal government elected in this country, what impact

would he anticipate on the Canadian dollar and on the markets generally?

Mr. Blenkarn: Mr. Speaker, in the finance committee meetings of two weeks ago Mr. Neufeld from the Royal Bank indicated that one of his great concerns was statements that might be made by key political figures in this next year. He said that he felt the matter was so tenuous that a statement made by someone, either a leader of the government or a leader of the Liberal Party, or something of that nature, and he did not say necessarily a political person, might trigger a rejection of our debt.

That particular matter is quite serious. It has been suggested that perhaps statements by the Prime Minister during the referendum debate triggered part of September's problems but they did not trigger November's problems.

It does not take very much when someone is pushing the limit of his or her credit card to get somebody to say: "I am sorry, you have reached the limit you cannot borrow any more".

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I am very pleased to rise to speak on Bill C–76, and particularly the amendment to the Canada Student Loans Act.

Unlike my colleague, who indicated a little earlier that the debate is somewhat foolish, I must suggest that this is one of the most important debates this House has seen in a long time, mainly because it focuses on education. If this House was to spend most of its time dealing with the questions of education and literacy in Canada we would not have to worry about the kind of difficulties the hon. member is referring to, whether we are dealing with the question of deficit or the question of debt.

I know and everyone in the whole world knows that if we were to focus on the question of education we would be able to help those who are educated to find jobs in a lot of ways. If they have jobs that will mean the generation of revenue and funds and the reduction of debts, and eventually it would mean the elimination of the deficit. It does not take a genius to make that direct correlation between job creation and education.

• (1310)

Everyone has said that, from social groups such as the National Anti–Poverty Organization to the Economic Council of Canada and the Conference Board. Everyone everywhere has said that in order for Canada to deal with this outstanding, incredible problem of debt and deficit we will have to focus on education and the elimination of illiteracy.

As it is the economic situation is in such a mess that it needs the attention of everyone, regardless of their political affiliation or partisanship, regardless of whether they are premier of a province, chairman of a bank or are the government at the federal level. However, we have seen a lack of co–operation, a lack of co–ordination and people shooting in different directions.

The debt and the deficit are everybody's problem. Between the provincial governments and the federal government we have borrowed from abroad, as the hon. member for Mississauga has indicated, hundreds of billions of dollars of foreign money, and that has put Canada in an extremely awkward position.

The main objective of any government is to provide services that are essential to society, essential to the community. As far as I am concerned, one of the main objectives of any government is to ensure that its people receive the education and the kind of tools they need in order to improve their lives and live in a comfortable setting.

To that extent I have always felt that the objective of our educational system should be to prepare our youth for a changing world in the field of humanities, in the field of technology and for an information–based future, as well as to enable them to become successful members of our society.

Frankly, while young people are the key to success in our society we are seeing a total failure on behalf of every level of government to address this whole question of education in order to help them to be full–fledged citizens of our country. I only have to outline the horrifying percentage of young people who do not finish their high school educations.

According to Statistics Canada more than 30 per cent of students who enrol in the primary and secondary educational system do not finish their high school educa-

tion and therefore they end up in low paying jobs or on social assistance programs. For that matter, they even end up in jail by committing offences that are not tolerated by our society.

For those who continue on to university the statistics, which have been repeated over and over again, show that over 50 per cent of students who enrol at the university level do not finish university, whether they are part-time students, special students or full-time students.

Not only that, but the literacy level, which is reading and writing, is very alarming. In July 1992 Statistics Canada released an outstanding report indicating that 71 per cent of youth between the ages of 16 and 24 have literacy problems. As well, and even more shocking, 56 per cent of those between the ages of 16 and 24 have mathematical or numeracy skills problems when it comes to dealing with everyday requirements.

It certainly should be a cause for alarm to the government at the federal level and all governments at the provincial level that we have an outstanding problem that needs outstanding action, and they should take notice.

To use the argument that we just do not have the money, that we are running out of money, so we are not going to spend on education is foolish. We cannot just close the tap. We cannot look at money that we are spending on education as an expenditure. We must look at money spent on education as an investment. The only way to make money is to invest money.

What is better than investing money in the future of Canada, in the youth of Canada? It does not take a genius to understand the analyses done by Employment and Immigration, Statistics Canada and independent analysts all over the country. They are telling us that by the year 2000 we are going to have a situation in which unless people have a high school diploma there will be no hope of finding a well paying job.

Never mind that. They will not even find a job. It will be a lot more difficult by the year 2000 to find a job unless they have a high school diploma. That means that we must make it a priority of society that every single person, particularly our youth, who wants to go to school can be helped to enrol in schools.

The reason I say this is that we have it doubly difficult. We have a shrinking population. The Canadian population is on the decline. We are not on the upswing of things. By the year 2010 or 2020 a lot of people will be in the upper echelons of their life, age 55 and up, and fewer people will be between the ages of 16 and 24.

We are going to see more pressure being put on those who are in the work force to produce the kind of resources and assistance that is needed to support our social programs and those who are no longer in the work force.

We know, as Statistics Canada has indicated, that by the year 2000 we will only have 1.1 million youths between the ages of 16 to 19. That puts a lot of pressure on us as a government and as a society to do everything we can to ensure that those 1.1 million students receive the kind of education they need to be prepared by the year 2000 and beyond to support all the great social programs that we have in place.

Not only that, but the pressure is on these very same students, the same youths, to pay the debt that we have incurred in the past and which is still being incurred by federal, provincial and, to a large extent, municipal governments. The pressure is on those students, and we have to do everything we can to help them out.

That is why my party and my colleagues in the Liberal Party have been pushing over the past four years to ensure that the focus of the policy and everything this government does is on youth, the economy, job creation and everything that is needed to help our youth, students and workers to continue paying for all those wonderful services we are providing.

We can no longer do the same things we did in the past. We must do things differently because we are entering into North American free trade and we just had the free trade agreement with the United States.

We have learned from the past that unless we adapt quickly to the changes in technology and to the new era of information-based equipment and technology we cannot compete. Never mind what our neighbours in Mexico, the United States or Asia are doing. We cannot compete anywhere unless we make that drastic move, and unless we make education a priority.

That is why on a number of occasions we have called on the government to embark on some sort of tangible strategic national plan concerning the questions of education and literacy.

So far we have seen nothing but report after report. The government has put on the table a number of reports but we have yet to see an action plan that takes those reports and turns them into something that can benefit the community, particularly its youth.

My party has made some tangible suggestions. The hon. member from Mississauga was asking, what do we do? We have made some suggestions, such as establishing a national apprenticeship program. I think that would work beautifully.

If members asked the community, educational institutions, university professors, the business community and those who are out there they would hear agreement. This is the best and most effective way to ensure proper results for our youth. It is one of the best ways to help our students and our youth in order to carry on and move toward the future.

• (1320)

We called on the government to stop the consultation process, to introduce some sort of action plan. We will continue to call on the government to stop the cuts to transfer payments when it comes to those who are the providers of education to our students.

We called on the government to stop its attacks on the educational institutions and what did we get? From 1986 until now we have seen in excess of about $4.9 billion in cuts in transfer payments to the provinces in areas such as post-secondary education. That by itself is a tremendous burden on the provincial governments and it is a tremendous burden on the universities.

What we have seen in the past is a total and major assault on youth, whether we are talking about the government taxing books and reading materials or whether we are talking about the latest attack on the UI bill and what it is doing to our youth and our workers.

Those are some of the points I would like to bring to the attention of the House and my colleague on the government side who spoke a little earlier on.

We are opposed to this bill for a lot of reasons. One of the reasons is that the Minister of Finance had promised on February 25, 1992 he would remove the 3 per cent fees. I indicated this earlier in a question to the member for Mississauga.

The government indicated it will be removing the 3 per cent fees and the charge on the borrowing for student loans. What does the government do? It is February 19, almost one year later, and no action has been taken. We have not seen any movement on the part of the government in order to remove the 3 per cent tax. It was promised. The government should deliver the goods.

The second problem we have with this bill is the government is planning to eliminate the six-month interest free period. That will come into effect on August 1, 1993. If the government is willing to guarantee a job for every student who graduates from university immediately after graduation I would presume nobody would have any difficulty paying his or her loan.

Every one of my colleagues in this House and outside who have borrowed while he or she was going to school ended up paying back the loan if he or she had a job. But to turn around and to say to the student population whether you are working or not, you have to start paying the interest on your loan, I would suggest is highly unfair. Those are two of the reasons why we are opposed to this bill.

We are also opposed to the fact that the government did not address the questions it must address when it comes to the question of education in Canada and the question of youth.

My colleagues in the New Democratic Party had the audacity to stand up in this House and talk about the interests of students and youths when we have an NDP Government of Ontario that won on the premise it was going to reduce, never mind eliminate, tuition fees. That was a part of its policy. What a shameful stand the NDP has taken over the past few years.

The first thing the NDP did was attack the student population with an increase in tuition fees the first year. Then in the second year, a second whammy, a second increase in tuition fees. It came up with a third whammy, and that is to remove assistance for those students who badly need it.

I know there are some honourable colleagues in the New Democratic Party who will stand up in this House and publicly deplore the actions of the Ontario New Democratic Party when it comes to our student population. I know some of my colleagues who would not support that, but some members of the NDP have to say it on the record otherwise the population of Canada, in

particular the population of Ontario, will not and will never forget that.

This is one problem. Another problem is attitude. I do not know whether the Ontario government is learning from the federal government or vice versa. There seems to be a partnership between both provincial and federal governments in their attack on the youth of Canada, on the youth of this province and on the youth of this community.

I can only say that in my region, in my city and my community in excess of 25 per cent of youth are living below the poverty line. We do not have to go very far. We only have to cross Wellington Street where we see those four or five tents. On a regular basis there are homeless youth sleeping in those tents, youth who want to see a better life for themselves, youth who have found themselves without any help and without any support from anywhere, whether it is from the NDP provincial government or the federal government.

Those are the kinds of people when we have to make our priority. Only the youth are going to be able to move us forward as a society and make sure that we can deal with the questions we have been unable to deal with in the past. They are the best investment this country has, the best insurance for the future.

That is why my colleagues and I are adamantly opposed to Bill C–76. Simply put, we consider Bill C–76 an attack on our youth.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I was very pleased to hear my hon. colleague's remarks wherein he called our party, the New Democratic Party, audacious. I think we are audacious. I think we have a great deal of audacity, particularly when I look at the strategy for a full employment economy that was released yesterday by my leader. I really believe it is an audacious program and I am proud of having this audacity as being a member of the New Democratic Party.

I can hear the prattling of my fellow colleagues on the Liberal side who do not like to really hear some of the examples of NDP audacity, but let me simply tell you what lack of audacity means. It means not having any program at all. It means not having alternatives. It means to me not managing properly.

Every time the Liberals mention Ontario they fail to mention the fact—and I would not call that audacity, I would call it lack of audacity—that when the NDP was elected in Ontario—I hope it does not make the Liberals unhappy to learn that it was an election. We were not just appointed. However, we opened up the Treasury and we looked in and found that the David Peterson government had left us with a huge debt.

An hon. member: How much?

Mr. Edmonston: Approximately $300 million at the time. That was the debt. Eighty per cent of the total deficit was a Liberal heritage. It was a legacy that we were given.

Sometimes when I hear the Conservatives on the other side saying: "Look, go easy with us a little bit because we inherited all this debt", at least I know how they feel because we in Ontario had the same experience as the poor Conservatives over there. They inherited Liberal debt.

I think audacity means courage and I believe our party has courage and that is why our party is presenting alternatives. I would ask the Liberals: Where are your alternatives for children? Where are your alternatives for students? What do you have to replace the system we have right now?

• (1330)

Mr. Harb: Mr. Speaker, I hope my colleague heard exactly what I said. I said that some of my colleagues have the audacity. When I say some, it does not mean all. There is a big difference between some and all.

The hon. member went on to talk about this famous plan of the NDP to deal with the question of the economy. I did not see anything in it for our youth. I did not see anything in it that will revitalize the economy *per se.* I did not see anything that really addresses this whole question. More important, they talk about the debt in Ontario. Do you know that in a matter of two years, the NDP Government of Ontario has increased the deficit from $800 million to close to $11 billion; $10.7 billion or something.

Maybe my hon. colleague should learn a little about mathematics just to verify those numbers because those are accurate numbers. If you are to calculate that per capita, perhaps the province of Ontario has the highest deficit of any province in Canada.

It has put us in an extremely awkward position. In a matter of two years it has incurred more debt in the whole history of Ontario, from Confederation until now. It has flip-flopped on every issue from auto insurance—he should be very upset with that—to the education question and everything else. There is nothing the Government of Ontario has not flip-flopped on.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I listened with interest to my colleague from Ottawa Centre and I was very interested to hear what he had to say about our youth and their future.

I am a father of five children and I have looked at the legacy that we are going to leave for our kids. I look at what our kids are going to inherit. Today we have well over 1.5 million unemployed. We have a deficit and a debt in this country compounded by what my children in the province of Ontario have to face from the government of Mr. Rae.

I am devastated that my children will probably have to work for ages and ages by the time we come out of this predicament that the Conservative government and the NDP Government of Ontario have put us into.

My question to my friend is the following: does he not agree that unless we get programs from this government here today, our children will have to bear the brunt of it? Our children will probably have to work like slaves to get us out of this mess that the Conservative government and the NDP government in Ontario have put us in. Our country has a double B rating.

Mr. Harb: Mr. Speaker, I appreciate the question of my colleague. I know how hard he works trying to raise the issues for his constituents before the House.

Just to add to what the hon. member was saying, as it is we have students right now who are waiting in front of food banks. I appreciate his comments very much.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization): Mr. Speaker, I know time is running out and I will be quick.

There should be a new theme song in here; "Where the Liberal Party Goes, Debt Follows". I am flabbergasted to hear the comments of my friend from Scarborough West. It is incredible.

I want to come back to my question. My hon. friend spoke on education. I listened with great interest to what he had to say on that subject. His solution to the problem seems to be throwing money at it.

This was the approach that his party took when in government. He criticizes what he referred to as reductions of more than $4 billion in spending by this government and my hon. friend over here complaint about debt. I do not know which way they want it but when he talks about the school system and the outcome of the educational system he seems to suggest that the solution lies simply in throwing money at the problem.

I spent 17 years in education before I came to this place. I want to tell my hon. friend that people who are making attacks and challenges on the education system do not recognize the fact that we now have the impact of the Young Offenders Act, the impact of drugs, the impact of television and television violence, the impact of kids coming from split homes and the impact of kids being latchkey kids. Is my hon. friend suggesting, or does he think, or is it the policy of the Liberal Party that we should have a national office of education? Does he think we should initiate national standards of testing in education?

Mr. Harb: Mr. Speaker, we always called on the consultative process with all partners, with all those who are involved in the educational system in order to come up with an action plan that will truly deal with the question of education and the question of literacy.

[*Translation*]

Mr. Guy Ricard (Laval—Ouest): Mr. Speaker, I would like to say a few words about Bill C-76. The purpose of this omnibus bill is to implement certain measures announced in the budget tabled on February 25, 1992. I would like to deal more specifically with the measures that affect the Canada Student Loans Act.

Education lessens the likelihood of unemployment and increases one's chances of making a better living. Since 1984 the federal government has stressed that to make Canada more productive, more competitive and to

enhance the quality of life of Canadians it is vitally important to have an educated, skilled and adaptable labour force.

The report *Inventing Our Future: An Action Plan for Canada's Prosperity*, published in October 1992 by an independent group of prominent Canadians, has confirmed the already solid consensus on the crucial role of education in becoming competitive internationally.

The government has announced its plan to update and reinforce the Canada Student Loans Program in order to continue to provide financial assistance to eligible students to pursue studies at the post-secondary level. By reducing the cost of defaults and improving the efficiency of the program it will be possible to increase assistance to needy students. In his February 1992 budget the Minister of Finance promised that the 3 per cent fee would be eliminated and limits on loans adjusted, subject to the successful completion of negotiations with financial institutions on new financing arrangements for the Canada Student Loans Program.

It should be emphasized that the program's basic objective is and will be to provide needy students with financial assistance to pursue studies at the post-secondary level. The government is intent on offering a loans program that provides subsidized loans to borrowers who are still pursuing their studies, and does so at reasonable cost and with reasonable conditions for repayment.

The negotiations are progressing. The Minister of Finance announced in his economic statement in December 1992 that the government intended to table a bill to authorize the new financial arrangements very shortly.

In addition to a new financial structure, various proposals have been prepared and communicated to the provinces. These proposals concern the program's mission, eligibility criteria and accountability with respect to spending under the program. More specifically, the proposals are a response to a host of concerns that have been raised over the years by the general public, the provinces, students and the Auditor General.

Generally speaking, these measures will do more than encourage access. They will also be more results-oriented by linking payment of assistance to successful completion of the individual's studies within the requisite time frame. Fair and uniform standards will be set to regulate implementation of the program across the country, simplify evaluation of requirements, maximize resources and increase the level of assistance offered to needy students.

It was explained previously that the amendments proposed in Bill C-76 would deal with three main issues: eliminating the six-month interest-free period after graduation, as of the 1993-94 loan year; updating the alternative payment formula designed to compensate provinces choosing to opt out of the program, including an extension of the deadline for giving notice of their intention to opt out; and allowing the minister to determine which forms will be used in the program.

• (1340)

I will deal with each issue separately. First of all, the bill proposes to eliminate the six-month interest-free period after graduation. At the present time, the government guarantees loans made to full-time students by lending institutions and subsidizes these loans by paying interest costs while the students are at school and for six months after graduation.

After completing their studies, students must enter into a consolidated repayment agreement with their lending institutions. Borrowers must repay the principal and the interest accrued starting on the first day of the seventh month following their graduation. Depending on the total sum borrowed, repayment may extend over a period of nine and a half years.

The interest subsidy on student loans represents more than 40 per cent of the program's cost. Every year the subsidy costs Canadian taxpayers about $200 million. This is a very costly measure and a direct and substantial investment in our human resources.

During the past two years there have been recommendations that the government should completely phase out interest subsidies, even in the case of borrowers who are still pursuing their studies. The government is not proposing any thing as drastic. We will continue to pay the interest accrued on loans while borrowers are at school. Full-time students will continue to benefit as long as they are enrolled in an educational institution.

Furthermore, they will still have up to six months after graduation to negotiate repayment terms with their lending institutions. For borrowers with an average debt of $6,100 upon graduation, monthly payments will in-

crease by less than $3.50 if they decide to capitalize the interest accrued on their loans.

Less than 5 per cent of all recipients of student loans accumulate debts of more than $15,000. In fact, 85 per cent of borrowers owe less than $10,000 and 60 per cent less than $5,000. Those whose debt levels are higher are, for the most part, university students who consequently have a better chance of obtaining a full-time, well-paid job. All things considered, the financial obligations of most graduates would seem quite reasonable.

I may add that although after graduation they no longer receive an interest subsidy borrowers remain eligible for interest relief, if they are unemployed because they are unable to find a job or are ill or temporarily incapacitated. Under this interest relief program, borrowers who are unable to repay their Canada student loans because they are unemployed can ask the government, and I think this is very important, to pay the interest on their behalf for a period of up to 18 months.

Furthermore, the existing legislation is still sufficiently flexible to allow borrowers to negotiate or renegotiate with the lender the kind of repayment terms that reflect their ability to pay.

I would now like to say a few words about the proposed changes in the formula for compensatory payments to provinces that may decide to opt out of the Canada Student Loans Program.

I may add that Quebec and the Northwest Territories have already opted out of the program. They have chosen to set up their own student aid program with the money they receive under the compensatory payments formula. They will continue to receive these payments, which amounted to $87 million in 1991-92, or about 20 per cent of the cost of the program.

The present formula, which has been used since 1964, presents a real problem. It does not strictly take account of the fact that if a participating province withdraws from the program the federal government would continue to pay costs related to previously made Canadian student loans.

The proposed changes to the compensatory payments formula will ensure that the program has the financial resources to help needy Canadian students in the provinces and territories and at the same time compensate provinces that establish their own student aid program.

Furthermore, the proposed amendments would require any province that intended to withdraw from the program to notify the administration in writing at least 12 months before the beginning of the loan year in which it intended to withdraw.

The third and final amendment to the act would simplify program administration. It will give us more latitude to plan and adopt changes to the form and co-ordinate changes with lenders and the provinces.

Clearly, the purpose of the proposed amendments to Bill C-76 updating the Canada Student Loans Program is to make this program better serve present and future generations in the interest of the whole country. Now that I have explained to them what the amendments in question are about, I would ask hon. members to please pass this bill which I and all Canadians believe is most appropriate.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I listened with great interest to my colleague's remarks. His comments were very well expressed and I find that his speech was well prepared. I would just like to ask him some questions because, even though his presentation is complete, he still raises some questions which he could answer to complete what he said.

Bill C-76 would eliminate the six-month period for students. The government is trying to save $35 to $40 million with this measure, but we must keep in mind that the student will still have to pay interest on the principal, I believe. I do not think that will change. So the interest continues to accrue but the student does not need to pay it for six months.

My question is this: from what I understood, the reason for stopping the subsidies in this way was mainly a trade-off. In exchange, the committee agreed to remove the 3 per cent tax on that amount. Did the hon. member understand the same thing, that it was a trade-off? Because the 3 per cent tax amounts to $35 to $40 million, I think. Can we take one load off students and put another one on them, or should they have to bear both together?

Mr. Ricard: Mr. Speaker, I did not sit on the committee that studied the bill. I did not take part in the discussions. I cannot say today whether I understand the

bill in the same way as committee members understood it then.

• (1350)

What I can tell my hon. colleague is that we do want to ask all Canadians to participate. Now we say, as I just said, that if a student cannot afford it because he is out of work, sick, or disabled or for other reasons, he can negotiate with the government for an 18-month period to pay the interest that my hon. colleague just mentioned.

This does not mean that we want to make a public issue of the interest students owe and tell them: "Well, you are not studying anymore so we do not want to help you anymore". It simply means that we are asking everyone in this country to take part with us in finding solutions and ways to help the economy recover, to get young people back in the labour market, to cut down the number of school drop-outs as much as possible and to give the most encouragement to those who want to learn and advance academically and go back to their studies. Those are the kind of measures we are trying to establish, and I believe that the hon. member sees the purpose of this bill in the same way.

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I appreciated the member's thoughtful speech and especially his concern that Canada requires more money to be spent on education and on students so that there are better opportunities to get jobs and we can compete more effectively internationally.

It is understood by the member that this is an absolute requirement. He also suggested that all Canadians should be expected to assist in resolving the financial problems of Canada. Just a short time ago his colleague indicated that the NDP in its economic proposals was not making a sensible proposal by calling for a minimum tax for corporations. As the member will know, just a few years ago 100,000 corporations in this country earning profits of $27 billion paid no tax at all.

That is largely because there are concessions made to business. For example, the business entertainment expense deduction allows three martini lunches and even the services of prostitutes to be purchased by businesses for their clients at taxpayers' expense.

How does the member justify this kind of tax policy that on the one hand allows 100,000 corporations earning profits of $27 million to get away tax free? Why should they not be obliged to share this burden of Canada's financial problems? On the other hand, in Canada we are charging income tax on scholarships earned by bright students.

Why does the Conservative government believe that lottery winnings, millions of dollars in some cases of unearned windfalls, should go tax free and yet make it tougher on students to obtain student loans and impose more strict and stringent conditions on the repayment of those loans?

Is there not a bit of inconsistency in what the member is saying? He says we need these people to go through school. We need them to improve their education for the benefit of all Canadians. We seem to give tax concessions to businesses for luncheons and prostitutes and that kind of thing. Yet we are taxing scholarships and making it tougher to get student loans.

Mr. Ricard: Mr. Speaker, I think that ideally speaking, the member is right. Everybody should pay their fair share of income tax in this country.

Also, we have to give some incentives to industries to promote their companies to provide work for people. I think we should have policies that would give all Canadians the opportunity to work and to be able to compete not only in Canada, not only in the provinces, province by province, but also abroad, world-wide.

I think the policy of the Conservative government would probably be the best in the world to allow these companies to do business with others.

I do not want to penalize students, companies or anyone in Canada but we have to give them the chance to be competitive and allow them to compete.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, there are so many issues I would like to deal with in the debate today but I fear the time constraints on me will be overbearing.

I want to start by talking about the fact that the government is using time allocation once again on this bill. Just to remind the House and the Canadian public of the Draconian approach this government takes to dealing with legislation in the House, closure has been

used 15 times in Parliament since the November 1988 election.

An hon. member: We need an election.

Mr. Milliken: We need an election in the worst way. I agree with the hon. member.

The fourteenth time closure was used to change the Standing Orders so the government would not have to use closure very much again. The fifteenth time it was used on a motion because it cannot move time allocation on a motion; it has to be on a bill.

We have had time allocation galore since the rules were changed in 1991. I could list the number of times since the rules changed. Over half the time allocation motions have been moved since the rules were changed which made it easier, shorter and faster for the government to use time allocation instead of the old closure rule.

We have had time allocation now 20 times in Parliament which is an unbounded record. No one comes close. If we count the number of stages of a bill to which it has been applied—like in one motion today it was applied to two stages of this bill, both the report stage and the third reading stage, which is allowed under the rules—there have been 31 applications of time allocation. It is pernicious, and today we had notice of time allocation on another bill for Monday.

What we have here is an absolute scandal in terms of the government's unwillingness to listen to the representatives of the people in the House. Never before have we had a government so reluctant to engage in public discussion on the bills brought before this House.

These are not bills that are popular. These are not bills that are designed to curry favour with the public. These bills in many cases represent very unpopular measures any government that had a chance of getting re-elected would not introduce.

The government knows it is in trouble so it is soldiering on with a bunch of unpopular measures at which a government that believed in its chances of re-election would balk and look at in a more reasonable way.

I want to look at the record on this bill alone. The bill was debated at second reading in November. It was referred to committee on November 30, 1992. We heard some reference to the committee proceedings and the usual high-handed way the member for Mississauga South dealt with the bill in committee by refusing to allow students to appear and be heard, who after all are gravely affected by the legislation. Members were boasting on one hand about consultation, about how they consult with everybody, but on the other hand when the students came to make their protests known about the bill they could not be heard.

You do not consult. You do not listen. You just soldier on and put the jackboot to everybody. You put them to the students when you do not hear them in committee and then you put them to the members of the House by putting time allocation on the bill. That is what you have done.

The bill came back to the House for report stage debate for something like 42 minutes on February 12. We know why the Conservatives did that. They had to get the debate started so they could move time allocation which they did on February 15. They slapped time allocation on the bill, here we have time allocation, a total of four hours and 15 minutes on report stage and one day, a short day, on third reading.

I suggest that the government's approach to legislating is frankly a disgrace. It cuts back the time the House is available to sit and then it applies closure to cut off the debate.

Mr. McCreath: Debate the bill.

Mr. Milliken: I heard that member speak this morning and he hardly said a word about the bill. The Minister of Finance, on his introduction—

Mr. McCreath: Why didn't you listen to my speech?

Mr. Milliken: I did. I listened to his speech. It was the most ridiculous set of comments I had ever heard. I also listened to the Minister of Finance in his speech yesterday morning when he introduced this bill.

An hon. member: It was another bill.

Mr. Milliken: It was another bill, but his speech on that bill had nothing to do with the bill. He almost popped out of his skin. I want to quote him for a moment. He was excited because he had some new figures on trade. He had new export figures and he said how high they were and what a tremendous increase it was. He said it was an 11 per cent increase over 1991, the largest year-over-year increase since 1984. Of course 1991 was not a great year for the Canadian economy. Though an

11 per cent increase may sound very good and it is quite good it probably started from a pretty low base.

• (1400)

The hon. member for Mississauga South knows all these figures, yet his minister did not dare put the figures on the record yesterday in spite of repeated urgings by me that he do so. I sat here and challenged the minister repeatedly in the course of his remarks.

If somebody had come into this country from outer space after listening to the minister's speech he would have thought the Canadian economy was coming up roses. You never heard anything so rosy in your life. He cited all these figures about how his policies had worked, how inflation had been wrestled to the ground, how trade was booming and how everything was just coming out the way it was all planned by the government.

The minister did not mention the 1.5 million Canadians who are out of work. He did not mention the hardship his government has put on Canadians. He criticized President Clinton because he said that he was making a huge tax grab omitting to mention the fact that this government had taken another $50 billion a year out of the Canadian economy with tax increases since it took office.

I ask the member for Mississauga South to correct me and tell me that it is at least $50 billion. Is it not $60 billion or $70 billion now? I am sure he does not know those figures. I know why he does not say them. He is ashamed of them. The government has taken all this money. For eight years it has gouged Canadians of all this money and the deficit is still at $30 billion. Talk about incompetent management. At least President Clinton promised to reduce the deficit somewhat. This government promised it but never did it. It took all the taxes but it never reduced the deficit. Talk about incompetent management.

I do not want to get waylaid on that. Unfortunately it is a side issue to the main point of this bill. However when we hear the Minister of Finance introduce a bill, ignore the provisions of the bill and talk about his handling of the economy in laudatory terms, we have to say that something is wrong with this minister. He ignores the human suffering that the policies he has forced on Canadians have brought across this country.

Unfortunately that suffering is what we want to talk about in this House. That is what we want to discuss on budget implementation measures. That is what we try to raise on these budget bills but the government does not want to listen. It wants to apply the jackboot and put closure on it. It does not want to listen to the people affected. It does not want to listen to elected representatives in this House. It just wants to have its way with the Canadian public.

I would like to quote very briefly from a speech given by Matthew Barrett, chairman and chief executive officer of the Bank of Montreal, at the annual meeting of the shareholders on January 18 of this year. The member for Mississauga South is probably a friend of Mr. Barrett. I do not know but I suspect he knows him well. I would imagine he had him appear before the finance committee when the member was chairman.

In any event, I thought a couple of quotes might be helpful to remind members of the mess we are in as a result of the government's policies. He said: "As a percentage of income Canada owes more to foreigners than any other major industrial country and, make no mistake, attracting and holding those funds means higher interest rates". Of course the Minister of Finance boasted about how low interest rates were in Canada because, as he said, they are lower than before. But they are not low in real terms. That is the real cost of borrowing to Canadians. Canadians are paying a lot of money. Even though interest rates have dropped we are paying a lot of money, a lot more than other countries are.

Mr. Barrett also said something about the level of debt owed by each Canadian. He said: "The public debt continues to grow and spread insidiously. In 1976 we owed almost $9,000 for every household in the land". By the end of 1992 it was $60,000 and over half of that $60,000 is attributable very directly to the eight years that Canadians have suffered under this government.

I cannot let the government go without turning to its friends in the NDP who have blasted around the last couple of days with this new five-year plan. They have abandoned those plans in Russia, I believe, but we have the NDP pushing them here. I would have thought it would have had the sense to abandon them too, but apparently not. These copies are hard to come by. It was just released yesterday, but when I called to get a copy this morning I could not get one. I want to thank the hon.

member for Chambly for his copy. I see it is charging for this plan. I can understand why. That is part of the deficit reduction plan for the New Democratic Party.

I took a look at the plan. I have seen the lavish pictures in it, I must say. I do not know who the photographer was but the photographer did very well. There is a great shot of the member for Yukon at the front and some pictures of people handing out dollars and change in the centre. I am impressed with that. That is just great.

I think it is important to look at the NDP five-year plan in some kind of perspective. I suspect it had this plan financed by the Tory Party. I can see every day the aim of the member for Yukon and the Prime Minister is to get together, as the hon. member for Esquimalt—Juan de Fuca did this morning when he stood and sent one of these soft lobs to the Prime Minister in Question Period: "What are you going to do about the Liberals?" The Prime Minister lines up at bat and hits and it looks as though it is a home run.

When you are the front-runner I guess you have to expect these kinds of hits but you would not expect that the New Democratic Party, which protests that it has all the virtue in the world and does not really want to be partisan most of the time, to line up with the partisan Prime Minister of Canada and throw him soft lobs so he can take a swat at the Leader of the Opposition. Yet that is what we are witnessing in this House every day. As the hon. member for Esquimalt—Juan de Fuca says: "There are politics going on here". I will acknowledge that he is correct on that score.

In any event I enjoyed looking at this document. I enjoyed even more reading the comments about it in some of the newspapers. I know the hon. member for Esquimalt—Juan de Fuca will want to hear these comments. Apparently his leader, whom he almost beat in the leadership convention, had a little trouble when she got before the reporters answering questions about the document.

Apparently it says that the NDP's policies are going to reduce the deficit by $8 billion and yet Informetrica, the Tory-hired independent study group, says that in fact it is going to be $11 billion. The NDP had not picked up the difference between the two. Perhaps the $3 billion was a slush fund to hand out to people like Bob Rae to help him out of the particular financial difficulties he has got the province of Ontario into. I do not know. It is not clear where that money is going but there seemed to be some kind of discrepancy there.

As it said in the newspaper account:

> Ms. McLaughlin and Mr. Langdon—

I guess he was there to help:

> —repeatedly insisted that the NDP plan would reduce the federal deficit by $8 billion. In fact, the independent analysis by Informetrica Ltd. showed that the deficit would be reduced by the correct figure of $11 billion. None of the NDP officials noticed the discrepancy until it was pointed out by a reporter.

I do not know, but it appears that the hon. member for Yukon is embarking on a tour to pump this plan out to the public and she is going to speak in Winnipeg, Ottawa, Kingston and Toronto. I hope I hear her when she is in Kingston.

I want to say also that I thought the comment at the end of this newspaper article was interesting. The vice-president of Informetrica said:

> "Conservatives should be happy with the consequence," Mr. Sonnen told reporters at the NDP news conference. "This will shift people's perceptions of the NDP".

Perhaps the hon. member for Mississauga South is going to join the NDP now. I wonder if he is one of the happy Conservatives as a result of this plan. I did not hear him speaking in laudatory terms about it, but perhaps if the two got together Canadians would realize what we have been saying along, which is that there really is no difference between the two parties.

Either way Canadians get ridden with debt whenever one of these parties takes office. To hear the NDP and the Conservatives, it is the same old plaint every day: "The only reason we are in debt is because of those awful Liberals". Yet the NDP in Ontario, when it took office, had something like a $3 billion deficit after it cooked the books to increase it and then it has run it up to $10 billion or $11 billion now. It says: "Oh, it is all the Liberals' fault".

The Tories took over with a $38 billion deficit in the first year and they had six months to run that up higher, which they did. They stretched and spent and it went up to $38 billion. It was not at that figure in September 1984 when they took over, but they managed to get it to $38 billion and that has sort of been their benchmark ever since.

Never mind that in the 1985 budget the Tories said by this year it would be down to $15 billion or so. Forget all that. It is not. It is double that. However, they went ahead their merry way and predicted that in another two or three years the deficit would be down, but it did not go down. Perhaps the member for Mississauga South could tell us why the projections that the finance ministers gave in their budgets all proved wrong.

• (1410)

Mr. Speaker, I will tell you why. I will let you in on part of the secret. The government did not control expenditures the way it said it would. It cut expenditures here and there but then it increased them everywhere else. That is what it did.

No Canadian is fooled by this. We can cite all kinds of examples of government waste and extravagant expenditure. We have mentioned before how the government could have saved millions of dollars if it had cut its advertising budget. We know how much this government spends on advertising.

I suspect the NDP in Ontario does the same kind of thing now. Certainly this beautiful book of the new five-year plan is an indication of the lengths to which that party will go to spend money to convince Canadians that it is really doing something when it really is not.

There is another thing I want to mention about this document. I heard my friend speak about this and thought he should be very careful because he said this was a plan for full employment. It says it is a full-employment economic strategy. It may be but the difficulty is, and I did not see the figures mentioned in the report, that from the press reports it appears that the leader of the New Democratic Party admitted that this would take the unemployment rate from 11 per cent to 7.1 per cent in five years.

I grant that is a good start, I acknowledge that. I am delighted the NDP takes that position, even though there may be some weaknesses in the arguments and there may be problems in getting there because of some of the other things in the report, and I could say more about that. It is a laudable aim but it is not full employment. I do not regard 7 per cent unemployment as full employment and I do not think anybody in this party does either.

The scheme needs to be reworded to say toward full employment, but unfortunately that is not what it says. I know that the members would not want to mislead the Canadian public by suggesting that if these schemes were implemented everything would come up roses, as the Minister of Finance says it is now.

We know it is not. We know the Minister of Finance is wrong. He has been wrong before and his colleague, the former Minister of Finance, was wrong every time. The jury is still out on the Minister of Finance. He claims that the measures he took in December are the reasons that everything is working out so well today. We know it is not.

The minister also says that the free trade agreement and the GST have done wonders for the Canadian economy while almost every economist in the country will acknowledge that is not the case. Indeed, there is a strong argument to be made that the economy is now recovering from the free trade agreement that the Conservative government put in place in 1989. It has taken that long. It has taken years to recover.

I am running out of time. I had so much I wanted to talk about that it is difficult to fit it in, but I wanted to talk about the approach our party has taken to economic growth.

The Prime Minister, provoked by the member for Esquimalt—Juan de Fuca today, tried to say that the Liberals have no policy, but we do. The policy was put forward in two recent speeches by our leader, particularly in Toronto. The leader stressed the importance of economic growth to the development of our country and the fact that without growth we will not create jobs in Canada.

The aim and thrust of a new Liberal government will be to shift the focus from shrinking the economy and squeezing the economy through a tight monetary policy to one that is based on the growth of the economy to create jobs and new industries in the future. We also said that we were committed to fiscal responsibility in dealing with expenditure control, not necessarily an $8 billion reduction in the deficit. A reduction of $8 billion off $30 billion over a five-year period is not very much. I believe the figure from the five-year plan is cumulative. The

debt problem in Canada is severe and this government has made it critical.

The monetary policy must be changed to allow a much more balanced approach to growth so that we can have some inflation, if need be, and not throw everybody out of work.

Mr. Blenkarn: Oh, no.

Mr. Milliken: The member for Mississauga South objects to that. The Conservatives have squeezed the economy so they can get inflation down to 1.5 per cent, but at what cost to Canadian workers? It has been tough, tough, tough. Tory times are tough times and NDP times are worse.

We need greater fiscal co-operation between the federal and provincial governments. That is something that has been sadly lacking under this government. When it introduced the GST the plan was clearly to have it dovetail with provincial taxes but it did not. The government was not flexible enough to manage to make that transition.

Had the government been able to get such agreement Canadians would not be saddled with two taxes at once when they go to the store and storekeepers would not be saddled with two different taxes to collect, all on different things. It is a real problem. It is a tremendous cost of doing business. The government boasts that the GST has helped but the only people it has helped are the people who are only involved in exports. Persons who are selling domestically, where they are manufacturing and selling more than one thing, are faced with difficulties because of the taxation system in place in this country.

We also believe that our trade policy must reflect the realities of the GATT. We are anxious to settle the problems in GATT and bring the agreement to a conclusion.

I see my time has run out. I profoundly regret that because I could go on at some length about the policies the Liberal Party has espoused and will espouse when it takes office, as soon as the government gets the courage to call an election.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the member, who is a great parliamentarian and historian, would probably want to say, but did not, and I thought I might do it for him, that in the 1980–84 Parliament the Liberal government introduced time allocation 25 times on 18 bills and full closure on two motions. In the 1984–88 Parliament time allocation was used 20 times on 16 bills and there were two motions of closure. That is quite less than the Liberal record.

So far in this Parliament, 1988–92, time allocation has been used 18 times on 13 bills and there have been three time allocations on motions.

That is an interesting situation because I note that the Liberal Party, desirous of expediting and improving the form of government and cutting the cost of government—and he made quite a speech with respect to the efforts of Mr. Matthew Barrett of the Bank of Montreal. He did not bother saying that the Liberal government had co-operated with the New Democrats to make closure necessary on Bill C-32, the Canada Assistance Plan, and Bill C-60, the federal fiscal arrangements bill or that the Liberals and New Democrats co-operated to oppose Bills C-20, C-21, C-56, C-63, C-69, C-93 and C-76, all in this session of Parliament, all designed to cut and streamline the cost of government.

The member did not say that the New Democrats and Liberals had opposed the government on getting the government out of Crown corporations. On Bills C-8, C-13, and C-38 he and his colleagues in the New Democratic Party, tweedledum and tweedledee, voted together to make sure that the government had to force closure on the dissolution of Crown corporations. They believe in high Public Service salaries so they co-operated with the New Democratic Party again on Bill C-26, the public service employment act, Bill C-55, the pension benefits act, and they are now co-operating with them on Bill C-113, the Government Expenditures Restraint 1993 Act. I wonder whether that will require time allocation. I suspect it will.

I want to ask him one question because he raised the issue. It is a question we all want to know. He said: "Inflation, if need be". I want to know what inflation this country is going to get with a Liberal Party. What is a necessary inflation rate?

Mr. Milliken: Mr. Speaker, I will answer the question directly, and then I want to comment on something the hon. member said in his remarks. I do not know what a reasonable level of inflation would be. It will not be high. However, we will not throw 500,000 people out of work in order to reduce the level of inflation from 4 per cent

to 1.5 per cent. That is not what we will do. That has cost the Canadian economy millions and millions of dollars.

• (1420)

Not only are those people not paying taxes now, and remember it is this government that induced the recession, but they are drawing unemployment insurance. Now the government is introducing measures to take them off unemployment insurance so they cannot get a cent from their government after paying premiums at exorbitant rates to this government, which has doubled and tripled the premiums. It is an absolute scandal and a disgrace. Frankly if the government had done a reasonably proper job when it took office in 1984 of doing all the things it said it was going to do it would not be in the pickle it is in today.

I want to respond to the hon. member's comments about closure. He says we co-operated to block these bills so that closure had to be applied.

Let us take a look at the legislative record of some of these bills. I think the member will find that the debates were remarkably short. For example, notice of time allocation on Bill C-110 has been given for Monday. That is the fixed link bill for the Northumberland Strait. There have been five speakers on that bill, one hour and 39 minutes of debate, and the government has given notice of time allocation. That is the kind of record this government has.

This is not a case of prolonging a debate and then the government stepping in and introducing closure to cut it off. This is after a short debate. The government says it does not want to hear any more from the opposition and cuts it off right away. That is what is going on here. Do not make any mistake about it.

The hon. member talked about the use of closure and cited all these figures from past Parliaments which do not match what has gone on in this Parliament. None come close. He can cite all he wants. If he looks at the debates he will see that before closure or time allocation was used by previous governments a reasonable amount of debate had elapsed. The House sat longer per year in those days than it does now. We have had our time cut back. This House has not sat that much during the four years we have been here because the government keeps using closure whenever the House does sit in order to ram its bills through.

It does not want to have public discussion on the bills.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I would like to question the member. The member mentioned as he began that we should have an election and I agree with him.

The Prime Minister said before the last election that he would not cut social programs, and we saw what happened. He said he promised his mother he would not do it. We see the cutbacks in unemployment insurance. We see the cutbacks in social programs. We see the cutbacks in equalization payments to the provinces. Now we see student loans being cut back.

We have a situation in which this government is on its last legs and is trying to force through legislation. I was here in 1984 when the Liberals were on their last legs. They went four and a half years before they called the election. Interest rates were running at 22 per cent. The New Democratic Party has finally put forward a program that we think could stimulate the economy and get things going but all we hear from both sides is that this side does not want to say what it is going to do and this side is showing us what it is doing.

I want to ask the member when the Liberal Party is going to tell us what it is going to do. He has said that it would harmonize the GST. The people of Canada do not want that. He said had the government done the right thing and worked with these people it would have harmonized the GST. Is that what the Liberal Party is going to do if it becomes the government?

Mr. Milliken: Mr. Speaker, I think the hon. member protests too much. He has very much misconstrued my words. I said that the government blundered ahead with the GST without having achieved any harmonization with the provinces before it did it. That has been a mistake.

We will introduce some new tax. Our leader has promised that after the next election he will set up a parliamentary committee of all parties which will consult widely—

An hon. member: It is a war on the GST.

Mr. Milliken: It is a war on the GST, as the hon. member says. That is correct. It is a war on the GST.

We will set up a committee which will conduct a study and determine what kind of tax will be reasonable, perhaps not acceptable but at least reasonable, for Canadians. It will consult with provincial governments so that they also have some input on the way the tax operates so the federal government does not bulldoze its way into the tax field and drive Canadians out of work, out of business and into bankruptcy. That is what the government's policies have done.

The GST was one of the major planks in that policy. The Minister of Finance was boasting about it yesterday in his speech, for heaven's sake. What more evidence do we need. Of course the member for Mississauga South was a staunch supporter of the GST. His constituents are going to thank him for that come the next election I am sure.

The NDP say: "We are going to get rid of the GST and soak the rich". As Mr. Simpson said, there is good reason to increase taxes in certain brackets in Canada. I am not disagreeing with that but let us look at what Jeffrey Simpson said in his article in *The Globe and Mail*. Mr. Simpson knows I like to quote him.

With regard to the Informetrica analysis of the socialist five-year plan he said: "The party wants out of the Canada-U.S. Free Trade Agreement. Nor could Informetrica estimate the very negative consequences of the NDP trade policy. Nor could Informetrica estimate the almost certain decline in business confidence caused by higher corporate taxes, a 2 per cent refundable training tax, the abrogation of trade agreements and higher personal income taxes. Nor could the NDP's fiscal commitments be considered fully credible. The party calls for defence cuts without saying how or where and outlines some new spending for child care infrastructure, research and development but the plan also notes many other areas for potential new spending without offsetting spending reductions".

So the answers are not all there. This document is trumped about as though it was some sort of a godsend, but I think the hon. member for Mississauga South and I at least have this in common: We agree this document is a pretty feeble effort.

Mr. Phillip Edmonston (Chambly): Mr Speaker, I will be sharing my time with my hon. colleague from Comox—Alberni on this subject, 10 minutes each I believe with a period for questions.

I have been listening to the debate all morning with a great deal of interest. We do have a number of colourful speakers here. We have speakers from both sides of the House who have been in government for many years. It is very instructive to hear the substance they give forth occasionally but also the political parrying back and forth is also interesting, and entertaining as well.

I should have been forewarned when I came here that it would be that kind of a day because at 10.30 a.m. I saw about 40 students sitting where the Conservative members are sitting right now. They were students from the school attended by the Prime Minister's son. They wanted to know what we would be studying today, what legislation we would be passing and what we would be debating. It was refreshing to see students, actually children behaving as children, rather than seeing adults behaving as children.

When we get into these kinds of debates, we get into almost a bizarre world where the Conservative Party with Bill C-76 has a program without a doubt and we do not like it. The New Democratic Party does not think the solution is to penalize students to the degree that Bill C-76 does. We do not believe it is a solution. With respect to the part dealing with lobbyists, we do not think the lobbyists are being reined in or controlled as they should be. That is why we are studying the question in committee.

At least the Conservatives have a program we can oppose and we have a program which both the Liberals and the Conservatives, as I was not surprised to see them do, oppose as well. I am very proud of the NDP program because it has some good elements in it. I did give a copy of the NDP program to the member of the Liberal Party so he could base parts of his speech on it. I have not yet seen any program from the Liberal Party. In a preamble to what I have to say on Bill C-76 I hope that we will see something substantial, something which is serious and is not contradictory.

An hon. member: The Liberals are going to play hide and seek.

Mr. Edmonston: My colleague on the other side says the Liberals are going to play hide and seek. We will see but we do have some time left before the next election. I do hope the Liberal Party will give us at least as much as we have given them: a program they can debate, they can make fun of or they can agree with, at least something substantial.

• (1430)

Let me address the parts of Bill C-76 that we believe we cannot accept. There are several parts to Bill C-76. The parts that interest me are those dealing with lobbyists and those dealing with paying back student loans to the government.

I heard my hon. colleague from Laval-Ouest say that the government really has no choice, the rules have to be tightened up. We have several rules dealing with students and the repayment of loans. One rule is that there is more or less a subsidy of six months from the time that the loan comes due until they begin paying it off.

Bill C-76 in a sense is tightening that up in that it is saying we no longer allow that period. I must say during that period the students will still have to pay. My hon. colleague from Mississauga may be able to correct me on this. They will have to pay the interest on the principal. If this bill is passed they would have to start paying as soon as it comes due. There would no longer be a six-month period of forgiveness.

I have no qualm that students should pay what they owe. I have no problem with that. I do not believe there is such a thing as free education. People do have to pay for it, either the students partly, their parents, myself, or citizens in general. I think the citizens of Canada really want to pay for students because they are our future.

For many of the Conservatives who will no longer be sitting in those seats after the next election, those students will probably be paying their pensions. It will not be with a great deal of joy but they will be doing it anyway. It is in our best interests to make sure that those students have good, well-paying jobs.

When I look at the impact of Bill C-76 I do not see the trade-off I expected. I understand it was discussed and agreed upon in committee that in exchange for having the students pay when the loan falls due after they graduate without a six-month period of forgiveness the government would eliminate the 3 per cent tax on the loan.

That is one question I have been asking many of the speakers. I have not had an answer to it just yet. Perhaps I will not today but I expect that eventually I will. To me it means we are getting a 3 per cent tax on student loans. I really think it is a bit much if at the same time we remove the forgiveness period of six months while they are out looking for a job. I think that is taxing them again in a roundabout way.

I understand what my colleague from Mississauga said. We have to get this deficit down. I believe him. It is a serious problem. I read the financial press as much as anybody else. However, the problem is this: if we are going to have any credibility whatsoever in this government, we are going to have to set the example with expenses. I am not just talking about the Conservatives; I am talking about Liberals and NDPers as well. We have not done that to any great extent.

I know it can be said it has been done somewhat or that it has been done better than the Liberals. The population at large, Canadians outside these walls, are tired of hearing us say we did it a little bit better than the Liberals, or a little better than the NDP, or the Parti Quebecois, or the Bloc. They are worse than we are.

People are sick and tired of these sterile comparisons. The people of this country would like profoundly, in the depths of their hearts, to see us for once say that we are going to set a massive example. Here are the cuts and here is where they are coming.

I would like to compare this to what President Clinton said in his speech: "We have to make tremendous cuts". He mentioned entitlements. There is the question of universality and the safety net. He mentioned that but he also said: "Here is where we are going to make these tremendous cuts as of the next few months". A poll of his speech that night just came through the wires. Over 70 per cent of Americans were prepared to accept even additional taxes if he was going to go along with those massive cuts.

That is why we are against Bill C-76. We do not see the fairness aspect as a political party which is based on fairness. That is why we placed an alternative before Canadians. That alternative is toward a full-employment job plan. That is very important.

In conclusion, I would just like to say if you are going to attack the Conservatives or Liberals, you had better have an alternative. Our party has it.

[*Translation*]

Mr. Guy Ricard (Laval—Ouest): Mr. Speaker, I have a question for the hon. member and I would appreciate hearing his opinion.

In Quebec today weekly lottery winnings total $2 million. Does the hon. member think it would be possible to have a special tax for lottery winners, who would in this way participate in the development of our country, because the money would be put in the bank and used to give our students a chance to get a better education? I would like to know whether the hon. member would support this idea.

Mr. Edmonston: Mr. Speaker, I think it is a wonderful idea. I think it would be a way to really invest in our young people. In fact, there is a similar suggestion I would like to make.

One of the reasons why I object to the GST is that it does not apply to transactions in financial institutions. I invest a lot in the stock market, and whether I win or lose, I would not object to my transactions being taxed because I think these are financial transactions that ought to be taxed.

I think the kind of suggestion I heard from one of the Conservatives across the way—and one is the operative word—makes very good sense. The hon. member made a very sensible suggestion and I applaud that.

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I would like to thank my colleague from Chambly for sharing his time with me. I appreciate the opportunity to speak in the debate on Bill C-76, which as members know deals with a number of fiscal measures designed to trim government expenditures. Some of them I do not really have any difficulty with.

On the idea of taxing lobbyists to pay for the regulatory process for lobbyists, I think the member for Glengarry—Prescott—Russell is a little overly concerned that this is a way of depriving people of getting access to their members of Parliament.

If there are people in the business of being third parties who introduce Canadian citizens to the government or to members of Parliament and derive funds from that, I have no hesitation in seeing them pay for the cost of regulating that kind of business. I have no difficulty with that section.

I do have some difficulty with the cutting of ministers' salaries and that kind of thing. I am not sure this really is going to have an impact on the deficit or the debt at all. As Mike Harcourt, the premier of British Columbia, pointed out when he was giving his pre-budget message to the people of British Columbia, the actual amount spent on the whole operation of Parliament is something like 1.82 per cent of the total expenditure in the province of British Columbia. It is a very tiny amount and any cuts to ministers' salaries or to those kinds of salaries are really token and symbolic. I think it misleads the people of Canada to suggest that it in any way contributes to the cutting of the deficit, although there is some value in that as a symbolic measure.

If we really want to take a look at the waste in this section of the Public Service that is represented by Parliament we should have an independent tribunal to examine salaries and benefits. It would ensure that those salaries and benefits enjoyed by members, ministers of the Crown and the Prime Minister are in line with the kind of work being done and the kind of expenses being experienced by people occupying those offices. I do not think it should be done on an arbitrary basis. As a symbolic measure, I think it should have real impact and people should know what the reasons for it are and what legitimate levels of compensation should be paid to members of the government and the Prime Minister.

• (1440)

I really do not look on that section of this legislation as being of very much importance. I hope the government will consider something along the lines of an independent and impartial salary and benefits tribunal that will look at salaries of members in this Chamber and make sure they are in line with our duties.

In addition, there has been some comment on the expansion of the limits of small business loans under the Small Businesses Loans Act. I do not think that is really an important section in this bill. In fact, I think all those measures are sugar coating to make it more palatable to accept the real weight of this bill, which is an attack on

students through the changes in the student loans system.

If we are trying to cut the debt and deficit of this country it should not be done on the backs of students. I hear the government talking about the need for more education to make us more competitive and to make it possible for young people in our country to become more employable and more flexible so that they will be able to participate in the high-tech, information-oriented economy of the future.

This government has done virtually nothing to help Canadians realize the promise and the need for more education. A little while ago it was talking about adult literacy programs and yet almost no money has been put up to finance those programs. It talked about the tremendous cost burden that illiteracy constitutes in the Canadian economy and how much our Gross National Product could be improved if the adult literacy rate in Canada could be improved. However, very little in the way of government effort and government money has gone into that. It does not put its money where its mouth is when it speaks of literacy and education.

The government also criticized the fact that Canadian business spends less on worker and staff training than virtually any other business group in any other industrialized country. Canadian business ranks among the worst in terms of the amount it spends on improving the educational level of its employees. What has the government done to change that, to bring Canadian businesses up to international standards so that our workers and businesses will be more competitive and more able to be more successful in the world economy? It has done absolutely nothing.

Again, in this piece of legislation it has dumped the problem of the deficit and the debt on to the backs of Canadian students by making the Canadian student loans system more rigorous, more difficult for students to qualify for student loans and when they are finished their training, more difficult for them to pay it back. Why is the government putting the burden of the debt and the deficit on the backs of those who are least able to pay for it?

That is why I asked a previous speaker from the government side why there was such inconsistency in government policy in terms of the way it treats students as opposed to the way it treats business. On the one hand I pointed out that there are 100,000 businesses in this country that were very profitable. They earned $27 billion in profits, yet paid absolutely no tax at all. The member from Mississauga criticized the NDP's economic paper when he pointed out that we would impose a minimum tax on those businesses.

On the other hand, student scholarships that are earned by talent and ability and by the intelligence of the students are taxed under the income tax system when 100,000 businesses in this country earning $27 billion in profits are getting away tax free. How do they do it? They have the business entertainment deduction. They can deduct things like three martini lunches and the services of escort agencies paid for at the expense of the taxpayers.

What kind of a country would have those kinds of priorities where it is willing to finance or allow businesses to deduct the costs from their income tax of escort agencies and three martini lunches and yet tax scholarships in the hands of students who earn those scholarships by the talent of their brains and their ability. It simply does not make sense.

As was pointed out by the member for Laval-Ouest—

The Acting Speaker (Mr. Paproski): It being 2.45 p.m., pursuant to a Standing Order made Monday, February 15, 1993, in accordance with the provisions of Standing Order 78(3), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the bill now before the House.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

Pursuant to Standing Order 45(6), the recorded division stands deferred until six o'clock p.m., Monday, February 22, 1993.

I believe there is unanimous consent to go right into Private Members' hour.

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It being three o'clock, the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

THE ENVIRONMENT

ENVIRONMENTAL CHARTER OF RIGHTS

Mrs. Ethel Blondin-Andrew (Western Arctic) moved:

That, in the opinion of this House, the government should develop a comprehensive environmental charter of rights.

She said: Mr. Speaker, I am pleased to have the opportunity to stand in the House this afternoon to speak on my private member's motion: That the government should develop a comprehensive environmental charter of rights which would promote and protect the health of our planet and would impose harsh penalties on all individuals and corporations found in violation of the charter.

While Canadians may have trouble at times finding ways to keep our country united, one thing is certain. Canadians agree that there is an issue out there upon which the quality of our lives depends: the environment. There is no doubt that there has been a deep and permanent shift in Canadian values and attitudes on this issue. Despite our diverse linguistic and cultural backgrounds, Canadians from coast to coast to coast share an abiding relationship with the land they love and cherish so dearly.

That being said, every Canadian should have the right to a clean and healthy environment; clean air, water and soil and justice for those who threaten them. Unfortunately, there is no such legal right in Canada. In fact, most Canadians are excluded from the process by which environmental law is enforced in this country. There exists no requirement that they even be involved in the development of these laws.

The average citizen is not empowered as an individual to launch an environmental lawsuit against powerful corporations or government. Industry complains that the rules of the game change with the political winds of the day and environmentalists are concerned that existing environmental rules are not enforced or non-existent. The establishment of an environmental bill of rights would establish in law each citizen's fundamental right to environmental equality and would guarantee the public the right to a healthy environment.

The right of future generations to help the environment must also be protected as it is not enough to only be concerned about our short-term gains or health. Such a bill would also democratize environmental decision making by guaranteeing the public's right to participate and thereby increase government accountability.

• (1450)

Further, an environmental bill of rights could deal with existing environmental problems and would force government to address the issue of leadership and the environment in an area in which the need for leadership has never been greater than it is today.

I look to the south of us and I must say that it does my heart good to see the lights of that great environmentalist, Vice-President Al Gore, leading the way and breaking new ground as it relates to the environment and the new BTU tax that was set in the last speech of the President.

A federal environmental bill of rights would be similar to the Canadian Bill of Rights. It would take precedence over all federal legislation with the exception of the Charter of Rights and Freedoms. However, it would not be binding upon provincial legislative authority.

A number of provinces and territories have already implemented environmental legislation. The province of Quebec established a Quebec Environment Quality Act in 1977 which includes elements of an environmental bill of rights.

The NWT was the first to pass a comprehensive NWT environmental bill of rights in November 1990. The

elements of an environmental bill of rights are also included in the Yukon environment act of May 1991.

The province of Ontario released for public review an Ontario environmental bill of rights in July 1992. As well, several American states have the equivalent of an environmental bill of rights, the most noted being the Michigan environmental protection act of 1972.

The concept of the environmental bill of rights is very intriguing. An environmental bill of rights would contain both substantive and procedural features enabling the legislation to put into place certain mechanisms to achieve specific environmental objectives. These would include the public's right to a healthy environment. The public's right must be enforced through improved access to the courts and/or tribunals. The onus of proof should rest with the plaintiff and should be on a basis of probabilities. There must be an increase in public participation in environmental decision making and legislated intervener funding for public participation must be made available. There should be mandatory notification of the public when significant environmental approvals are made.

Greater protection is needed for employees who blow the whistle on polluting employers. If we are going to have a UIC snitch line we can have an environmental polluter snitch line too.

There must be the creation of an accessible and affordable electronic registry that would give the public necessary government and industry information concerning environmental standards: the use, storage and release of pollutants and infractions. The use and the access to the state of the art environment reporting would provide the public with news and changes in our environment on a regular basis. It would be like an environmental monitoring program.

I believe there should be an independent environmental commissioner or ombudsman appointed to make sure that the principles of the bill are applied in a fair and consistent manner.

In addition, the position of an environmental auditor general should be created who could report directly to Parliament with powers of investigation similar to the powers invested in the Auditor General. This office could issue an annual public report reflecting the federal government's goals with respect to environmental programs, spending, implementation and enforcement.

In the past governments have been held to public scrutiny mainly in terms of their economic achievements. This is no longer true. The time has passed when strict economics is the main indicator of progress.

Governments must become more responsible and accountable for the environment. After decades and even centuries of economic growth, environmental conditions have worsened. The health of Canadians has been threatened and the physical foundation of our economy, our precious stock of natural capital, being fish, forest, soil, air and water, has been eroded. In fact we are now building up an ecological deficit which is as threatening in the long run as the more visible financial deficit.

This country and its leaders need an agenda that is environmentally driven. Canada needs to carve out an industrial policy which underlines the fact that good environmental management is also good business by integrating the economy and the environment.

We need to encourage expansion of the industrial sector which is involved in producing goods and services that help protect the environment. Part of the problem is Canada's lack of innovation in relation to environmental management. Instead of strictly following the initiative of Germany, Japan and others, Canada should be blazing the trail. Clearly Canada needs to build a wider involvement from all sectors of the public, including the involvement of Canada's First Nations peoples.

1993 has been proclaimed the Internatioal Year for World Indigenous Peoples. The theme for this year is *Indigenous Peoples—A New Partnership*. I believe the time has come for western science to integrate its environmental efforts with that traditional knowledge.

Aboriginal people view the environment as the foundation of our spiritual well-being as well as our economic and physical health. One of the major costs of progress has been a spiritual one, the feeling that we have been alienated from nature. For many of us the physical uprooting from the land of our ancestors and the adoption of modern technologies have brought a deep sense of loss and in part disorientation, confusion and disempowerment.

By responding in a creative way, native communities have begun to rekindle traditional forms of worship and philosophies based on the understanding that the earth is our mother. Traditional knowledge is the accumulated knowledge and understanding of the human place in relation to the universe. It encompasses spiritual relationships with the natural environment and the use of natural resources.

The potential for the use of traditional knowledge in the areas of the environment, renewable resources and sustainable development is tremendous. A government of the Northwest Territories report on the traditional knowledge working group outlined recommendations calling for the use of traditional knowledge within the government decision-making process in a number of areas, including the environment.

Research and development efforts by the Dene cultural institute in Hay River, Northwest Territories, helps to bring greater recognition to the importance and value of preserving traditional knowledge for the use of scientists, governments and aboriginal peoples of today and generations to follow.

At the Rio conference in June 1992 a number of indigenous principles and objectives were recognized, including the world's need for better understanding of indigenous people's knowledge and management experience related to the environment, and the need to apply this information to contemporary development challenges.

Chapter 26 of Agenda 21 also recognizes indigenous values, traditional knowledge and resource management practices with a view to promoting environmentally sound and sustainable development. It also recognized that government should where necessary work in full partnership with indigenous peoples and their communities.

I believe the environment is an extremely appropriate area in which governments on all levels could develop co-management relationships with First Nations peoples. In doing so Canada would set an example for other global communities to follow.

It is not enough, however, to expect individual First Nations' representatives sitting on co-management boards to advance traditional knowledge. Extensive research and documentation work by aboriginal peoples on their environmental knowledge must be supported. Without this research support, decision makers will continue to rely on western science and will not implement the learnings and beliefs of traditional knowledge.

Where do we go from here? In conclusion, I have to say it is our responsibility to plan a strategic course of action to protect the future of our environment. Canada must become a true world leader in the fight to protect the ozone layer. We must protect the health and abundance of our oceans. We must give immediate attention to protecting traditional food sources of the world's indigenous peoples who are suffering from toxic and PCB contamination. Contamination of the food chain means a lot of suffering and a lot of hardship for indigenous populations. A moral code of ethics held by the Dene should be adopted to guide the interpretation and implementation of this bill.

As Bella T'seleie of Fort Good Hope, Northwest Territories, explained: "Everyone takes responsibility for what is going on, on the land with the animals, not only the game officers. This is why our Dene system works. Anyone in the community who does not follow it is considered naive and is not respected". There is a great deal of social pressure when these rules are not followed because our survival depends on the land and the animals.

• (1500)

We must develop ways to measure how we are doing in our efforts to protect the environment. We must establish cultural survival schools and regional and world environmental study centres, maybe even a world biodiversity centre in the Northwest Territories which is seen by many parts of the world to be the last frontier of clean air and clean water. That is not really true but that certainly is an image we would like to preserve.

We must also have more focused and tougher legislation put into place. An environmental bill of rights would be an excellent start. It would give each person the right to live in a healthy environment and make polluters and governments accountable should they infringe on those rights.

Those who resist this initiative really fear that the rules of the environmental decision-making game will shift into the hands of the public when in reality an environmental bill of rights ensures that individuals, groups, companies and governments all play by the same

rules. This sounds like a reasonable goal in a democratic society.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization): Mr. Speaker, I am pleased to participate in this very important debate about the environment.

I would like to begin by commending my hon. friend from Western Arctic for bringing this important subject before Parliament. I know it is a matter of deep concern to her, particularly in view of her constituency and the sensitivity of the environment in that part of the country. I too represent a constituency that is blessed with the bounties of nature but is also an area very much subject to environmental damage and difficulties. I share her concern for the environment.

As to whether the solution she puts forward is the ideal one or not, that may be a different thing. I am not sure that it is an appropriate or desirable thing that the protection of the Canadian environment in the final analysis should be turned over to the courts as opposed to resting the obligation on the heads of the elected people, who are accountable.

When an environmental difficulty arises in my own area the telephone lines in my offices are absolutely blitzed with calls. That is appropriate and proper. If the public were to make a challenge under yet another charter of rights, I am not sure that would be the best protection for our environment. With the greatest of respect to my hon. friend, the imperative she is concerned about, the preservation and protection of our environment, is an aspiration shared by all members of this House. The best way to protect the environment and the interests of future citizens, my children and I hope some day my grandchildren if I should live so long as to have some, is by having accountability rest with government. I think actions speak louder than words.

I might use a few minutes to reflect on some of the actions taken by this government. Perhaps the most significant, but certainly the most visible, is the very historic green plan brought down by the government in 1990 with the greatest commitment of financial expenditure with respect to the environment in the history of governments.

I do not want to talk about just the money involved because I think the green plan is much more than money. One of its main features is that it sets forth an environmental action plan totally consistent with the principal recommendations of the Brundtland commission with respect to sustainable development as a goal.

If I may remind the House, economic development which meets the needs of the present without compromising the ability of future generations to meet their own needs is the concept of sustainable development as set down by that commission. That is the basis for environmental policy but also resource development of this government, which is extremely important.

In effect the green plan is a co-ordinated action plan dealing with many environmental issues: acid rain, climate change, parks, wildlife, coastal ports and waters, and so on. I would be pleased to provide to my hon. friend or to anyone else a list of all the expenditures involved there.

The point is that it is not just a matter of spending money. It is the partnership approach that is applied in the green plan, the idea that the federal government does not just throw money at a problem but actually goes out and brings people together: other levels of government, industry, individuals, and people interested in preserving their future and their environment. As well, it requires of the government regular reporting to the people of Canada through this Parliament on the state of the environment in this country.

The green plan establishes targets and schedules for action. Take for example the recent establishment of regulations relating to the pulp and paper industry. These are not easy things to be faced by that industry. I know that the Bowater Mersey paper mill in Liverpool, Nova Scotia, is very much challenged by the $37 million that it has to come up with in order to comply with those regulations.

Obviously there is a need for the government to show some flexibility to ensure that the requirements of those regulations will improve the environment. These things have to be scrutinized.

What is significant is that those regulations are there. The government is not backing down in the face of the

expenditures required. That is going to lead to exactly the kind of future my hon. friend is looking for.

The environmental review process put in place by this government with the Canadian Environmental Protection Act is extremely important. It was passed in June 1988. At the same time the government brought in a practice whereby no new policies can go before cabinet, no new initiatives, until there has been an environmental impact assessment done to make sure that development in this country is consistent with good environmental practice.

That is this government putting action where others might just use words. I do not refer to my hon. friend from Western Arctic when I say that, but I know that a lot of people like to mouth platitudes about the environment. If we are going to pass on to the next generation of Canadians a clean, healthy country, we have to set these standards and guidelines, and as a government we have to live up to them.

The record of this government is very impressive. We have to look upon development and economic development within the context of the environment.

My hon. friend spoke about the United Nations Conference on Environment and Development in Rio last year. Although environmental aspects of the conference seemed to attract most of the media attention, it is very significant the two concepts of environment and development were linked by the United Nations.

It is equally interesting to recall—and I noted earlier today my hon. friend from Oxford spoke to this fact—that the leadership in that international gathering, the largest gathering of heads of states in the history of the world, came from Canada. It was not just from the fact a Canadian was the commissioner of that great event, but the fact that the delegation looked at as the world leader was the Canadian delegation and the fact that the green plan was looked upon as a model for the rest of the world.

That is very encouraging as Canadians. We cannot sit back and rest on our laurels about that. We have to continue to be vigilant. I can say that my colleagues on this side of the House, and I am sure my colleagues on the other side of the House, welcome the new priority it would appear the environment is to have in the United States.

There has been a lot of talk about the North American free trade agreement. Some concerns have been expressed by some people with respect to whether or not it adequately allows for protection of the environment and the maintenance of environmental standards. I am delighted President Clinton has indicated that he would like to have some sort of parallel agreement to address it. There is no question where the Government of Canada will be on it. As Mr. Clinton himself pointed out, we already have one of the most respected and successful records in the world in this regard.

It is extremely important that all members of this House, and indeed all Canadians, do not lose sight of the fact that we cannot lighten up on this issue. Our future in part is dependent on what we do with our environment. Therefore we cannot back off in any way, shape or form.

In concluding my remarks, I would not want to impose upon the House in the time available to me, I must again commend my hon. friend for bringing the subject forward. I really believe it is right here in Parliament that accountability should reside. That is why I do not think a charter of rights in this regard would be helpful to Canadians.

However I think we all have to look to the future. The environment is something that is a legacy to our children. We want to make sure that it is a legacy that we are proud to leave them.

• (1510)

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I am pleased today to enter into this debate sponsored by the hon. member for Western Arctic. She says in her motion:

> That, in the opinion of this House, the government should develop a comprehensive environmental charter of rights.

I am extremely pleased to see this motion on the table before us once again. Mr. Speaker, you will remember that I put forward a motion very similar to this in June 1991, just to refresh your memory and the memories of members of the House. The motion I put forward at that time read:

> That, in the opinion of this House, the government should establish a bill of environmental rights to empower Canadians to fight polluters and guarantee all Canadians the right to live in a healthy environment.

There is a tremendous similarity in these two bills and I am very pleased to rise again today to discuss this incredibly important issue for all of us.

As the hon. member who introduced the motion said, Canadians from coast to coast to coast are all too aware that our environment teeters on the brink of irreparable destruction. Cynical attempts by governments to buffer big businesses, continued practice of sacrificing our land, our air and our water to cheap and easy profits do nothing but sell our children's right to a healthful future.

This is very critical at a time when the entire world is debating the issue of how government should be involved in dealing with the environmental destruction that has occurred and how to prevent environmental destruction that we know will occur if we are not involved in the process.

The establishment of an environmental bill of rights or an environmental charter of rights is something that is most significant because it empowers people to be involved in the entire process of keeping an eye on corporations, governments and those people engaged in environmental activities.

There was a bit of a lull in this process of defining the rights of people on the environment and the jurisdiction of provinces, individuals, municipalities and the federal government over the environment. Some time around October 1992 when the government brought forward the motion to amend the Canadian Constitution, one of the principles included in that amendment was a charter of social rights. It included a right to a healthful environment.

That clause alone gave us reason to believe that the government was prepared to take certain steps that would give us something close to an environmental bill of rights. Therefore the debate over federal–provincial or whatever jurisdiction ceased for a short period of time.

There is no question that at a time when we are debating whether or not to build a bridge between the mainland and Prince Edward Island, how to deal with dams in western Canada, how to deal with the fragile environment of the Northwest Territories, of the Arctic and other such matters, it is very important that we have a context in which to look at them.

I am indeed shocked today to read in the Toronto *Globe and Mail* an article that tells me that the direction that this government is taking is exactly opposite to that which this country desires. I want to quote briefly from the article in today's *Globe and Mail*:

> The federal government is reviewing all of its environmental regulations with an eye to eliminating rules that might hurt national competitiveness or drain the public purse, *The Globe and Mail* has learned.

In other words, this government is trying to find a way to make it easier for environmental polluters to do business in this country and to get away from those things that will protect the Canadian environment and the Canadian people from the activities that they are engaged in.

I continue to quote:

> The Treasury Board told the environment department last fall "to look at existing regulations and identify those that significantly hinder Canadian competitiveness or impose needless costs on consumers".

This is from a memo from deputy minister Len Good to staff. This is simply incredible.

They talk about the review being linked to the Canadian government's Prosperity Initiative, a report released last October containing 54 recommendations to include Canadian industries' competitive position in the world.

In this House just a short time ago the subcommittee on acid rain to the committee on the environment tabled a report entitled From Words to Action. In that report we detailed findings from our study of the way in which the United States has dealt with acid rain controls. One thing we discovered in looking at the system in the United States was that under President George Bush, who is not a noted environmentalist as is Vice–President Al Gore, an office of competitiveness was established right next door to the President's office. The office of competitiveness was headed by Dan Quayle, a man for whom I am sure we all have some respect.

The office of competitiveness was eliminating environmental regulations to make business more competitive in the United States, thereby jeopardizing the environment. In our case we were looking at acid rain matters, and we found that previously agreed upon acid rain

regulations were not being implemented on the specific request of the office of competitiveness.

Under its prosperity agenda, the equal of the Dan Quayle committee in the United States, this government is preparing to do exactly the same thing the Americans were doing, which has stalled acid rain matters in Canada.

If this is the action the Canadian government is prepared to engage in while at the same time talking about trying to protect this environment for the future of Canada, then we have to view with significant doubt virtually everything else it is saying because obviously its commitment to the environment is much less than the words it speaks here.

The North American free trade agreement is another matter that falls under some scrutiny for environmental considerations. An environmental charter of rights in Canada would go a long way toward empowering people to ensure that some of these matters were looked at more closely.

This government has accepted an environmental assessment of the North American free trade agreement. That environmental assessment was not done under the rules this House created just last year with the passage of Bill C-13, the Environmental Assessment Act. The assessment of the North American free trade agreement was not done by the agency that was created to do environmental assessments, previously the Federal Environmental Assessment Review Office, FEARO, but by a committee of deputy ministers. It was a committee on the government side. The committee basically said it was okay and that the North American free trade agreement passes the environmental assessment test. It did not pass any test that was established by this government.

I was a part of the committee that helped to rewrite the government's previously flawed Environmental Assessment Act. When Bill C-13 was passed in this House, despite certain objections I had to the way regulations were going to be dealt with, I very much agreed with most of it. We should be using that Environment Assessment Act when we examine all policies, programs and projects in the future, starting with the North American free trade agreement. We should also be applying it to the fixed link proposal which is going to be debated in this House next week.

In conclusion, I want to commend the member for bringing this motion forward to allow for the debate to continue on this most important issue. I want to urge the government to take every step possible to move away from this idea that business can look after the environment and get back to giving the people the power to protect and enhance the environment.

I agree with the member that the aboriginal peoples of this country—northern, plains, Cree and others—have a very solid reputation in this regard. We have a lot to learn from the way in which the environment has been protected and enhanced in the past. We must get back to that position whereby we can ensure that we will leave to our children a world that was better than that we inherited from our parents.

• (1520)

[*Translation*]

Ms. Nicole Roy-Arcelin (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am pleased to speak today on the motion of the hon. member which reads: "That, in the opinion of this House, the government should develop a comprehensive environmental charter of rights". This charter would empower Canadians to fight polluters and guarantee all Canadians the right to live in a healthy environment.

Let me make it clear that the protection and enhancement of the environment are high priorities for this government. Our record clearly shows our commitment. On December 11, 1990, we released our environmental action plan, Canada's green plan. This plan is based on a vision which Canadians share: to secure for current and future generations a safe and healthy environment and a sound and prosperous economy.

This is what the green plan does. The government's commitment to the environment has been enshrined in legislation. The Canadian Environmental Assessment Act, an act to establish a federal environmental assessment process, affirms in its preamble a commitment to:

> Achieve sustainable development by conserving and enhancing environmental quality and by encouraging and promoting economic development that conserves and enhances environmental quality.

The Canadian Environmental Assessment Act ensures that all federal departments and agencies conduct environmental assessments of all project proposals for which they have a decision-making authority and gives the Minister of the Environment substantial powers to ensure that this process is fair, efficient, transparent and

allows for a high level of public input into decisions on projects which have a potentially significant impact on the natural environment.

In addition to this legislated base, the Prime Minister has clearly committed this government to consider the environment as a priority in all its policy and program decision-making.

As a government, we realize that the activities of government touch Canadians in many ways which are not directly linked to projects. That is why it is government policy to require that an environmental statement accompany any proposal considered by Cabinet dealing with policies or programs which may have a significant effect on the Canadian environment.

While the process of assessing policies for their environmental impact is still in its infancy, considerable progress has been made. For example, the Department of National Defence reviewed its policy on port visits by nuclear-powered vessels. The transit of Dixon Entrance by U.S. submarines was also assessed.

Agriculture Canada integrated an environmental review component into its farm safety net program. In addition, External Affairs conducted and made public an environmental review of the North American free trade agreement, the first major economic policy initiative to undergo such a review.

The Minister of the Environment has the responsibility to administer the Canadian Environmental Protection Act (CEPA). This act gives the minister substantial power to establish regulations protecting Canada's air, water and land. More than this, the act obliges the minister to report to Canadians at regular intervals on the state of the Canadian environment.

CEPA guarantees extensive rights of public participation in decision making affecting the environment. It also confers upon the public the power to take court action against any polluter who contravenes the act.

Environmental information is another area to which the government attaches a great deal of importance. During the process of consulting with Canadians as a part of the development of the government's green plan, individual Canadians stressed repeatedly that a major priority of government must be the regular provision and wide dissemination of readily understandable information on the state of the environment and how it is changing.

Canadians told us they wanted a sound basis to make their own decisions about the environment. They wanted a basis to understand whether the actions they were taking as individuals would help to reduce environmental degradation. They want to be able to judge whether government is doing its part to contribute to a healthy and sustainable environmental legacy for our children. As well, Canadians want to have a basis to make judgements about the environmental performance of industry.

The routine provision of high-quality environmental information is a major commitment included in the green plan.

In the view of the government, the measures we have already put in place are the best way to empower Canadians to fight polluters and ensure that the government lives up to its commitments. We already have what is needed to guarantee all Canadians the right to live in a healthy environment. An environmental charter of rights would duplicate many of the provisions which already exist and is not an adequate substitute for an environmentally aware electorate making fully informed decisions about government performance. This is true accountability. The Canadian people will be the judge of whether we are successfully meeting our environmental goals.

[*English*]

Mr. Jack Iyerak Anawak (Nunatsiaq):

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

Mr. Speaker, I am honoured to be able to talk on this motion of my hon. colleague from Western Arctic on the issue of a comprehensive environmental charter of rights.

When my colleague from South Shore was speaking he mentioned that he would like to make sure that the environment is there for his grandchildren to enjoy. At the rate his party is going his grandchildren will not have any environment to enjoy.

He mentioned that the green plan was an historic plan and I think the plan is history all right. I have not seen

much evidence of what the green plan is doing for the people of the eastern Arctic, the area I represent.

When I talk about the environment, as I mentioned earlier in Inuktitut, the aboriginal people have never ruined any part of the environment, have never caused any group of animals to become extinct.

For the Inuit, the Inuktitut language has no word for pollution because we do not create pollution. We do not have a word for radiation. We do not have words for cadmium or PCBs. We have words for dirt but that is about the strongest you can get. When we are talking about pollution or radiation the nearest we can come to is something that makes you sick.

When I say that the Canadian government would do well to listen to my colleague from Western Arctic and myself in terms of protecting the environment, I think it would be well advised to listen. When we are talking about preserving the quality of the environment, we are not just talking because it is the issue of the day. We are saying these things because we have always been concerned about the environment.

• (1530)

In the Northwest Territories, the area that my colleague and I represent, the government was the first to pass a comprehensive bill of rights on the environment in 1990. In 1981, the Yukon government passed legislation containing some elements of an environmental bill of rights. The principles involved in a bill of rights are: the people's right to be involved, the people's right to participate and the people's right to a healthy environment.

When we talk about pollution and not causing the pollution, I would just like to mention some few instances of where other outside groups have caused pollution and environmental damage on the land on which we live, in my case Nunatsiaq, "the good land".

The DEW line sites, the distant early warning sites, have been left behind by the Americans, leaving thousands of barrels of whatever the barrels contain as well as the barrels themselves, which has caused a considerable amount of damage to the land. One good example might be the Horton River DEW line site situated between the communities of Polutuk and Tuktoyaktuk. That site is littered with an estimated 10,000 45–gallon fuel drums, and various abandoned buildings and equipment. This site is on Inuvialuit land, the area the Inuit occupy in the Beaufort region.

It is astonishing that the federal government under its green plan decided it was going to clean up a minimum of 21 DEW line sites. That particular place at the Horton River site has not been cleaned up even after three years have passed since the Inuvialuit reached an agreement with the federal government to clean up that site. That agreement acknowledged that the government had an obligation to remove all debris, all the fuel drums, the towers and the structures that were not required at the site. I repeat, three years after that agreement was reached between the Inuvialuit and the Government of Canada, that site has not been cleaned up.

It seems there are insufficient funds in the Arctic environmental strategy, which the Minister of the Environment very loudly proclaimed in Iqaluit a couple of years ago as the answer to cleaning up the environment. It is too bad that the government has not followed through. I urge the government to try and work co–operatively with the Inuvialuit to achieve the wanted results, which is cleaning up the environment in the area that people see as pristine and without any environmental damage. Unfortunately the environmental damage has not been as a result of us living in that area, but other outside factors.

It has to be understood that the Inuvialuit have to be involved very comprehensively in the clean–up. The government must follow through and stop reneging on its promise to do this clean–up and should immediately take steps to correct the situation.

In the Northwest Territories we have some resources that people want to take out. We do not really have a problem with mining companies, oil companies and other groups wanting to take resources and minerals out of the Northwest Territories. I would like to mention briefly the Izok mine development in the Kitikmeot region. This is the central Arctic region in which they want to have a large–scale complex for development and mining.

Again, we do not really have a problem with people wanting to take that stuff out, but we want to ensure that the environment is not destroyed in the process. That is why we have to be involved as aboriginal people, whether Inuit, Dene or other groups of aboriginal people in Canada. That is why we have to be involved in the

planning, development and the shutdowns in all aspects of any mineral development. I point out we have never caused any species of animals to be extinct because of pollution to the land. We have never destroyed any part of our land. That is why we have to be very involved in any development of any kind.

I would like to mention a recent study respecting caribou. A great number of the people I represent depend on caribou, which contains high levels of cadmium. It hurts when people mention that maybe we should be eating less caribou, seal or muktuk.

Some years ago I remember we were told that we should not be eating any more seal liver because it contains mercury. We did not stop eating seal because we believe it is very healthy. I certainly did not do that. As a matter of fact, I love to go out to the area I am from, go out to the flow edge, get some seal and eat the liver.

We are not going to stop eating seal because it is a very healthy part of our diet, fresh raw seal liver. We are not going to stop doing that and we are not going to stop eating caribou just because somebody tells us.

I remember one Inuk said he would never stop eating even if his hair were falling out from his head. That is how tied we are to the environment and to the issue of eating the animals that we hunt in the north.

We would like the government to do a little more to try and prevent the pollution that is occurring in the north. We would like the government to follow through on some of the green plan and on doing more for the people, especially the mothers. In a study done over a series of years, Inuit mothers were found to have high levels of PCBs in their breast milk. It is scary that some mothers decided that they would not feed their babies breast milk when it is still the best for the baby.

There was one instance where the mother was looking for alternatives to breast milk. It is a sad situation when mothers have to do that.

I urge the government to follow through and follow the advice of my colleague, the hon. member for Western Arctic, and develop an environmental bill of rights so that we can feel that we are very much a part of the Canadian society and that people do listen to us.

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I appreciate the opportunity to speak on this private member's motion. I certainly congratulate the hon. member on the spirit of the motion.

The enhancement and the protection of the natural environment is a goal to which this government and all members of this House are firmly committed. It is a goal that will require changes in the way we make decisions at all levels of society, as individuals in our lives at work and as governments.

We made the development of a comprehensive framework for better decisions on the environment a priority. That is why this government has developed an environmental action plan which it has called the green plan.

The government engaged in a series of very extensive consultations with Canadians in all segments of society. We started those consultations with a paper entitled: "A Framework for Discussion on the Environment". That paper outlined the government's proposed environmental framework and set out possible measures to deal with specific environmental issues. We asked Canadians to give us their vision on the government's suggested approach and to tell us whether they agreed with our proposed priorities.

A number of clear messages came out of those consultations. Despite the emergence of a number of major issues competing for attention such as the Constitution, the economy, native affairs and international developments, Canadians remained deeply concerned about the environment and felt that environmental quality actually is deteriorating.

Canadians are looking to their governments for leadership on this issue. People recognize that individuals have a key role to play. They are optimistic about our ability as a nation to solve our environmental problems if we work together.

In focusing on single issues, Canadians want action on a broad range of issues from global warming to toxins, to waste management, to parks and wildlife and of course to the north. Consistent with this, people attach a high priority to those activities linked to the solution of a number of environmental problems. For example, there was general emphasis on the importance of better science, information and education.

What Canadians were telling us in those consultations is consistent with what we now understand about the nature of our environment. That is that air, water and land are not separate entities but form integrated ecosystems which require systematic action across a broad front.

The green plan reflects both what we have heard from Canadians and the evolution of our own policy thinking. It takes a comprehensive approach, a co-ordinated package of action across a broad range of environmental issues from climate change to parks and wildlife. This corresponds to what Canadians want. Equally important it corresponds to what we know about our ecosystem and the linkages between issues.

The green plan reflects the importance we attach to taking action which helps us to address environmental issues across a broad front. For example, the green plan emphasizes better science to allow us to understand environmental problems and their solutions. It emphasizes better information so all Canadians can make more informed decisions and hold governments, industry and themselves more accountable. It also emphasizes better education leading to an environmentally literate population increasingly involved in making better environmental decisions.

The green plan is specific. It sets out explicit targets and schedules and commits to ongoing consultations and extensive environmental reporting. These are the green plan's goals in terms of the environment. However, they can only be achieved by changing how we behave toward nature. Hence the green plan focuses on environmental responsibility through better decision making.

The green plan empowers Canadians to make a difference in decision making at all levels. Through better environmental information and education, Canadians will be equipped to make informed judgments about the performance of industry. Through regular reporting on green plan progress, Canadians will be able to hold governments, business and each other accountable for their progress or lack of it.

Individuals are also empowered to protect the environment in federal legislation. The Canadian Environmental Protection Act, CEPA, gives extensive rights of public participation in decision making that affects the environment. CEPA also confers upon the public the power to take court action against a polluter who contravenes the act.

The green plan also recognizes the important role of the federal government in making good environmental decisions.

The Canadian Environmental Assessment Act, to be proclaimed later this year, will ensure that all projects that require a federal decision are carefully assessed for their environmental implications.

Moreover, we have moved beyond the assessment of projects and since June 1990 have as a matter of government policy required that environmental impact assessments be made for all policy and program initiatives coming before cabinet for decisions.

Furthermore, our policy requires that a statement of the environmental implications of each policy or program be made public.

The green plan challenges all Canadians to make better environmental decisions. As a government we are prepared to lead by example. This is the way to effective protection and enhancement of the environment. It requires a change in behaviour at all levels of society. It requires a national co-ordinated strategy to provide people with the assurance that their individual activities are part of a co-ordinated approach to change.

Individuals, corporations, and governments need to know they can work together to make a difference.

Our government's priority is a broadly based attack on environmental degradation achieved by an environmentally literate society—one in which citizens are equipped with the knowledge, skills and values necessary for action—not piecemeal initiatives through the courts.

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

[*Translation*]

It being 3.46 p.m., this House stands adjourned until Monday next, at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 3.46 p.m.

HOUSE OF COMMONS

Monday, February 22, 1993

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

On the Order: Private Members Business:

December 1, 1992—Second reading and reference to a legislative committee in the Departmental envelope of Bill C-348, an act to amend the Criminal Code (gun control).

SUSPENSION OF SITTING

The Acting Speaker (Mr. DeBlois): The hon. member for Don Valley North is not in the House to move the order in accordance with the notice published in today's Order Paper. Consequently the order will be dropped to the bottom of the order of precedence for Private Members' Business, pursuant to Standing Order 42(2). The sitting of the House will therefore be suspended until noon.

The sitting of the House was suspended at 11.07 a.m..

SITTING RESUMED

The House resumed at 12 p.m.

GOVERNMENT ORDERS

[*English*]

NORTHUMBERLAND STRAIT CROSSING ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-110

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I move pursuant to Standing Order 78(3):

That, in relation to Bill C-110, an act respecting the Northumberland Strait Crossing, not more than one further sitting day shall be allotted to the consideration of second reading stage of the bill; and

That, 15 minutes before the expiry of the time provided for Government Orders on the day allotted to the second reading stage consideration of the said bill, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question necessary to dispose of the second reading stage of the bill shall be put forthwith and successively, without further debate or amendment.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

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

Government Orders

(Division No. 417)

YEAS

Members

Andre	Atkinson
Attewell	Bjornson
Blackburn (Jonquière)	Bosley
Brightwell	Campbell (Vancouver Centre)
Cardiff	Casey
Clark (Yellowhead)	Clark (Brandon—Souris)
Cole	Cooper
Corbeil	Corbett
Côté	Couture
Crosbie (St. John's West)	de Cotret
Desjardins	Dick
Dobbie	Domm
Duplessis	Edwards
Fee	Ferland
Fontaine	Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hogue
Holtmann	Hudon
Hughes	Johnson
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Lewis	Loiselle
MacDougall (Timiskaming—French River)	MacKay
Marin	Mazankowski
McDermid	Merrithew
Monteith	Moore
Oberle	Porter
Pronovost	Redway
Reimer	Ricard
Robitaille	Roy-Arcelin
Saint-Julien	Scott (Hamilton—Wentworth)
Siddon	Sparrow
Stevenson	Tardif
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	Weiner
White	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—88

NAYS

Members

Althouse	Angus
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Barrett	Black
Boudria	Brewin
Catterall	Clancy
Dingwall	Dionne
Duceppe	Ferguson
Finestone	Foster
Gagliano	Gardiner
Gauthier	Harb
Hovdebo	Hunter
Jordan	Lee
Manley	Marleau
Mifflin	Milliken
Mitchell	Nault
Nowlan	Nystrom
Parker	Pickard
Rocheleau	Samson
Simmons	Stewart
Stupich	Walker—40

PAIRED MEMBERS

Anawak	Cadieux
Danis	Maheu
Shields	Turner (Vancouver Quadra)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

[*English*]

MEASURE TO ENACT

The House resumed from Monday, February 8, consideration of the motion of Mr. MacKay that Bill C-110, an act respecting the Northumberland Strait Crossing, be now read a second time and referred to a legislative committee in the Departmental envelope; and the amendment of Mr. Fulton (p. 15586).

The Acting Speaker (Mr. DeBlois): At the suspension of the debate the hon. member for Saanich—Gulf Islands had seven minutes remaining.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I appreciate the opportunity to complete my remarks on this bill and to reinforce my opposition to this project, the fixed link in the Northumberland Strait.

My principal concern is the protection of the marine environment in the Northumberland Strait. This bridge will be constructed in the midst of a habitat which supports a $100 million a year fishery providing lobsters to North America and the world. It would also pass through one of the area's largest known scallop beds.

The bridge also threatens the physical and social environment of the island and the earning capacity of many diverse individuals and communities, including fishermen, ferry workers, retailers, food processors and tourist operators.

In 1988, the federal government promised that no bridge would ever be built without a full environmental assessment of the specific bridge design. That was its response to a number of concerns about a generic bridge design. Now, it seems to be pretending that an environ-

mental management plan, a short, vague description of construction monitoring, is an environmental assessment. So much for the 1988 promise. So much for Canada's environmental credibility.

I want to go back to the federal environment assessment review process. When the federal government is involved in a major project which could affect the environment, the activity must undergo an environmental assessment and review process.

The Prince Edward Island bridge project was deemed to be such a project and the federal Environmental Assessment Review Office convened an independent six-member panel on April 28, 1989. Its mandate was to conduct a public review of three concept proposals for a bridge. It was never explained why a tunnel or improved ferry service were not considered as part of the publicly financed review.

The panel was asked to examine the environmental and socioeconomic effects of an imaginary bridge crossing without blueprints or actual design specifications. It was also asked to determine the possible effect of the construction operation and maintenance of the project and its associated facilities.

Public hearings were held in the three maritime provinces between March 12 and March 30, 1990. Over 1,500 people attended the 21 sessions. The intensity of public participation in the hearings gave credibility to a process that islanders initially viewed with some skepticism.

After that extensive public discussion as well as in depth technical and bureaucratic consultations, the FEARO panel released its final report in August, 1990. The panel unanimously rejected the generic concept of the bridge presented to it by Public Works. Its rejection was based on numerous significant concerns.

Let us understand what has happened. There was an environmental assessment of a generic bridge concept.

• (1250)

The panel recommended that the bridge project not proceed because of the following reasons: The potential impacts on marine ecosystems and agricultural microclimates arising from delayed spring ice-out; the risk of damage to near shore spawning grounds; the limited knowledge of the Northumberland Strait ecosystem making it difficult to predict impacts, monitor impacts, mitigate impacts and determine appropriate compensation to fishermen; incompatibility of the project with sustainable development; inadequate consideration of cumulative impacts; difficulties in finding socially acceptable solutions for displaced ferry workers and fishermen; inadequate consideration of the environmental and ecological impacts of the island on the predicted type of tourism and growth; and the need to resolve numerous land use issues in Prince Edward Island.

In conclusion the panel has noted there is a need for improved transportation service between Prince Edward Island and New Brunswick. After careful consideration, the panel concludes that the risk of harmful effects of the proposed bridge concept is unacceptable. The panel recommends therefore that the project not proceed.

What has this government done now? It has put forward an ice panel which refutes what the FEARO panel recommended. It is now trying to put forward and push this specific bridge concept ahead without environmental assessment. It is no wonder the people of Canada are cynical about the way this government operates.

I would also like to point out that there are considerations other than environmental. A *Financial Post* article of February 17 states:

> The federal government has not done the math to support building a bridge to Prince Edward Island.
>
> The September 1992 report by Halifax-based Gardner Pinfold Consulting Economists says a key 1987 economic feasibility assessment of a fixed crossing has several flaws.
>
> If economic viability is an important criterion for proceeding with the project, then it would be advisable to conduct a more rigorous analysis.

In conclusion, this bridge concept is not environmentally sound nor economically sound. It should be shelved until a full environmental impact assessment has been done on the particular project. Anything less is a repudiation of this government's own environmental assessment review process. It puts into doubt the whole environmental assessment review process put forward by this government.

I urge the House not to support Bill C-110.

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, Bill C-110 is the enabling legislation for a major infrastructure project that not only is immense in scale, but is also unique in its approach. This project is going to bring many benefits to the people of the maritimes, the Atlantic region. All provinces in the Atlantic region will benefit, but Prince Edward Island will in particular.

It is not just the people of the maritimes who will benefit. Taxpayers generally will benefit from this. What is not commonly understood across Canada is that it is a constitutional requirement that the federal government provide ongoing subsidy or support for the people of Prince Edward Island to maintain the service between the mainland and the island.

This is something that constitutionally will never cease as long as the ferry service continues. However, if the project proceeds that this legislation is dealing with, we have a situation where the ongoing cost of the ferry service will be maintained as a subsidy for 35 years. At that point in time the subsidy ceases.

Instead of the situation where for time immemorial the taxpayers of Canada will be required to maintain the ferry link between the mainland and Prince Edward Island it will in fact be fulfilled with the fixed link. There is another thing that is quite unique about this project that should be of interest to all taxpayers across Canada. It is not going to be funded in this case by the taxpayers of Canada. When they think of these major projects, they immediately perceive huge tax dollars being demanded of them. In fact, the tax dollars to support this will be those that are equivalent to what would have been paid out in the ferry service over the next 35 years.

This project will be funded, built and operated by three enterprises for the next 35 years. If we proceed successfully with this, there will be many people watching to see if this may be a framework for other major infrastructure programs. It is not just the taxpayers of Canada who will benefit. The users of the existing ferry service and the new fixed link will also benefit from it.

Something that is not commonly understood about this project is that the toll charges that will be paid by people who cross the link from the mainland to the island or vice versa will be fixed so that they cannot increase to anything greater than three quarters of the inflation factor. This means that generations to come in Prince Edward Island and New Brunswick will benefit from lower rates than they would otherwise experience. To put this in perspective, if over the last decade we had had an agreement that the ferry tolls could not increase by more than three quarters of the inflation rate then the current ferry rates would have increased by less than one third of what they actually increased. It is of significant benefit to those people who are habitual users of the service.

There are other economic benefits, those that will be returned primarily to those in the maritimes. I will refer to it as the Northumberland Strait one-two punch. Punch No. 1 is that construction of this massive project will create jobs and business opportunities starting immediately and continuing through the next four or five years.

Punch No. 2 will be that in the longer term, after the link is completed, it will enhance the province's growing tourism industry and result in cost efficiencies for agriculture and many other enterprises. Construction itself is expected to generate from 3,500 to 4,000 person years of employment over the next five years.

One condition stressed by Prince Edward Island and other Atlantic provinces was that maximum employment opportunities should and would accrue to the region as the project proceeds.

It is estimated that 95 per cent of the jobs will be supplied from within Canada and over 80 per cent of those jobs are expected to accrue to the Atlantic provinces. This will have a phenomenal impact on an area of Canada that is habitually hard-pressed and deserves this improved situation. For instance, it is estimated that the unemployment rate in Prince Edward Island will decrease by over 1.3 per cent, directly attributed to the fixed link. In all, the construction of the bridge will result in a direct expenditure of about $850 million. When the effects of respending that normally take place are figured into the economy of the island, the project will represent a stimulus to the Canadian economy in the order of $1.3 billion. There will be tremendous opportunities for businesses, not only in Prince Edward Island but in New Brunswick and, in fact, across the country. I think the principal beneficiaries, as I mentioned earlier, are going to be in the maritimes.

• (1300)

The selected bridge design means that almost 95 per cent of the construction materials and related services can be supplied from within Canada. Even more important to the people in the maritimes is that they expect 80 per cent of it can be provided by the local suppliers. That means that opportunities will be created for a range of products and services, including supplying cement, the aggregates of the steel, selling and leasing heavy equipment, fabricating and finishing reinforcing steel, the construction of roads leading to and from the fixed link and a whole variety of other services. Many of these services are ideal for smaller local-based companies.

The immediate response from Prince Edward Island in particular has been extremely positive. By the end of January, nearly 400 Prince Edward Island businesses had expressed interest in participating and most of them have shown that interest through the Prince Edward Island Business Development Agency.

A number of firms have already directly contacted the developer as well and the response there has also been positive.

One of the key requirements for the project is that the developer maximize the use of Atlantic Canada suppliers. In fact, SCI is currently preparing an industrial benefits plan which must be submitted to and approved by the federal government before the final contracts are assigned.

There is no doubt that this bridge construction will generate substantial immediate economic benefits for all of the maritime provinces and in fact for Canada. However, I would be remiss if we did not look further down the road. What are the long-term benefits that we see? When the bridge is in operation, there will be benefits and they will be substantial. The bridge will significantly reduce the amount of time taken to transport vehicles, passengers and goods between the two provinces. Crossing time will go from a current average of over one and a half hours to the neighbourhood of 15 minutes for crossing. This will provide an extremely important benefit to all of the users.

A factor of this crossing that I had not thought of until it was pointed out to me is that there is a very significant energy saving from the link. The energy consumption will be reduced to less than one-sixth of the amount that would be required if the ferries were still in operation. Of course many other sectors of the Prince Edward Island economy will be affected, in particular tourism.

Tourism is the province's second largest industry. It is expected to grow as a result of the relative ease of access. The bridge itself will become, like so many other major projects that have been built in North America, a destination. Tourists will come to see and to cross the bridge. This will draw visitors not just from Canada but from around the world.

Other major beneficiaries will be those industries that transport their goods from the island. Agriculture, fisheries and all the associated processing facilities will benefit by way of cost reductions, greater efficiency and, very important, improved reliability of delivery.

The Prince Edward Island trucking industry has gone on record with its forecast that it expects to save in the order of $10 million annually as a direct result of the bridge's construction.

There is no question that the economic arguments for proceeding with the link are strong and compelling. It represents a project that at absolute minimum cost to the taxpayer will bring both short and long-term benefits and hope for the renewal of the citizens of Canada's smallest province.

To be sure there are those islanders who oppose the project, fearing that the bridge will somehow change the province's way of life and its unique character. Similar concerns were expressed by the people of Cape Breton prior to the building of the Canso Causeway. Yet this region has seen no diminution of its distinctive character in the years since. Its tourism and other industries have clearly benefited.

The bridge will be a change to Prince Edward Island for sure, but my expectation is that it will be a change for the better.

I believe future generations of Prince Edward Island citizens will have reason to thank those who had the foresight and determination to press ahead with this great engineering undertaking.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I listened with interest to the parliamentary secretary.

I know he was performing his function in his usual capable way and also that his riding is in British Columbia, which is on the other side of the continent. I listened with interest to many of his statements.

First, I would like to ask him a question about some of the concerns. In P.E.I. business is basically in favour of this move. The public has been divided. The referendum results were 60–40 in favour of a link, although not necessarily a bridge.

Let us look at the figures, which really give me concern. How can the parliamentary secretary stand there and say that the taxpayer is not going to be involved? The computed annual subsidy, which has been down to about $21 million a year, is estimated by Marine Atlantic to be $29 million over the 35–year period. Yet under this bill the Government of Canada is going to pay $42 million a year for that 35–year period. With the $29 million a year subsidy over 35 years we get a total subsidy of $1.05 billion. With the $42 million annual subsidy over a 35–year period we get a figure of $1.47 billion.

How can the parliamentary secretary and the government say that the Canadian taxpayer is not going to help the financing of this project? Why does the hon. parliamentary secretary keep saying, as the minister did when he opened the debate on this bill, that the cost of the project is going to be $800 million or $850 million? Those questions come first.

Second, I know the parliamentary secretary will be most aware, in view of recent news reports, of the Lions Gate Bridge in British Columbia. He talked about the great project of BOT: Build, own and then transfer back. This is a unique project. There has been no track history of this BOT, which is the jargon of build, own and transfer.

Let us assume that everything goes ahead and after 35 years it is transferred back to the government or the Canadian taxpayer who has helped foot the bill. Does the hon. parliamentary secretary not see the maintenance problems on a bridge over salt water?

A report this week said that there was an $18 million maintenance cost for the Lions Gate Bridge this year. He and I both know, having lived in British Columbia, that there is ongoing maintenance on bridges, especially over salt water. Is the Government of Canada going to get a 35–year old steel relic which the taxpayer paid for?

Regardless of all the interesting economic positives that he referred to on the island, how does the hon. parliamentary secretary rationalize what the hon. member for Saanich—Gulf Islands said? She said that there was an environmental study commissioned in accordance with the Government of Canada's own laws.

There were hearings. However, as the parliamentary secretary must know, the summary and conclusions of the report mentioned by the hon. member for Saanich—Gulf Islands said that the admitted positives were outweighed by the negatives. The panel came out clearly and said not to proceed with the bridge.

It suggested more study of a tunnel or an improved ferry system so that the people of the island would still have their constitutional link.

Mr. Worthy: Mr. Speaker, I thank my hon. colleague for his question. I will try to cover all three points as quickly as possible.

I say the taxpayers will benefit because I sincerely believe they will. The ongoing costs of the ferry service are in the neighbourhood of $30 million or $32 million. If we are going to continue to provide the service the support of the federal government goes beyond the provision of the existing ferry link. There will be a time when new ferries must be built, and that is the responsibility of the federal government.

• (1310)

The subsidy is the long–term responsibility of the federal government, and it is calculated to be at $42 million a year. It is good for the taxpayer because the construction of the project will proceed on private enterprise funding. As the ferry service is removed the subsidy will be put into effect and will continue for 35 years.

That is the subsidy that the federal government would be responsible for anyway. We are providing the subsidy to fulfil the commitments we would have anyway. At the end of 35 years we would no longer have that commitment.

I say as a taxpayer of Canada, and as the member has pointed out as a taxpayer from the other part of the country, that is a good objective.

There are a number of differences from Lions Gate Bridge. If we had to go back to taking ferries across it would be untenable. A major difference in the design and structure is that the Lions Gate Bridge is steel. The bridge to Prince Edward Island is being designed to last

at least 100 years and is a concrete structure. It will not be subject to the same kind of weather.

The third question concerned the panel. The panel did recommend against proceeding, based on the assumption that there was a longer than two-day delay in the ice. However, it said its position would be different if it could be achieved within the two days and it made a number of recommendations. Since that time the government, the contractors, and the provinces have been proceeding following those recommendations to a letter.

No project has had more ongoing environmental reviews. There continue to be reviews and if it is not environmentally sound the project will not go ahead.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I would like to ask the parliamentary secretary how the government can proceed without doing an environmental assessment on this specific proposal.

Mr. Worthy: Mr. Speaker, there is an ongoing assessment. It started with the generic but it is done on every stage this project has undergone.

The environmental considerations have been examined along with it and continue to be reviewed. As one of the commentators from the maritimes has put it, if we took all of the material that has been studied, printed, published, and written about the fixed link over time there would be enough material to put a solid link across the strait.

There has been and continues to be serious environmental assessment made at each stage of this project.

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I appreciate the opportunity to participate in this very important debate today, particularly in view of the fact that I am from New Brunswick, which is one of the provinces that will be directly involved in the construction of this very important structure.

Much has been said about the economic and other benefits that will accrue to Prince Edward Island. Much should be said about them because not only will there be economic benefits to Prince Edward Island but there will be a significant spin-off effect to the entire province of New Brunswick, the entire Atlantic region, and to Canada as a whole, as was mentioned by the hon. parliamentary secretary. I will attempt to deal with some of those matters.

I believe that the benefits are substantial and self-evident. However, we must look at the entire project on a much broader scale and come to terms with what it is going to mean to us as Canadians and to our reputation as a whole.

Canada has garnered an enviable reputation throughout the world for megaprojects on a grandiose scale. We only have to think of the SkyDome and the CN Tower in Toronto and now we will have this magnificent link between Prince Edward Island and New Brunswick.

From India to China to the Philippines Canadians have been involved in major projects such as dams, power generation installations, roads, telecommunication networks and so on. As a result we as Canadians have garnered a super reputation throughout the world for our capacity to be able to deal with projects of this nature and to complete them successfully.

It has brought about a significant amount of self-respect and international respect for Canadians for our ability to tackle large and challenging projects. Make no mistake, this link is big by any world standards.

What we are talking about in the Northumberland Strait bridge will be the largest bridge that will have ever been built in North America.

Let us take a look at some of the pieces of equipment to demonstrate the magnitude of what we are speaking about. The crane that will be used to put the pieces of this project together will be 325 feet in height. It will be one of the largest cranes that will ever have been built in the world.

The bridge will require 200,000 tonnes of cement, 53,000 tonnes of reinforcing steel and 130,000 tonnes of asphalt. It will be built in 183 separate parts. When it is completed this structure will be 10 times as long as San Francisco's famous Golden Gate Bridge. The project will be watched, it will be studied and it will be envied by engineering firms and governments around the world.

The Strait Crossing Incorporated is a Canadian firm which has already earned an international reputation in the design of bridges and other such structures. As it is being undertaken by a firm of such international reputa-

tion this will only serve to strengthen Canada's reputation for engineering excellence.

I believe people will come from all over the world, just as they have for the other projects we have undertaken in this country. I have already mentioned the SkyDome and the CN Tower.

I believe that people will come from far and wide to see what it is that we are doing once again here in Canada, which has contributed so substantially to our reputation.

There is something about bridges that catches the public imagination. It is true that people rarely write songs or write poetically about sewers or pipelines but bridges are different. They do catch the imagination of people. It has happened in the past. They have caught the fancy of poets, writers and singers from time immemorial.

Perhaps that is because bridges speak to the human aspirations of each of us in reaching out for unattainable goals and objectives. They break down the barriers that separate us and bring people closer together. When this bridge is completed there is no question it will take its place as one of the greatest bridges in the entire world and that it will be one of the great engineering undertakings of the late 20th century.

• (1320)

There is no question that there are some lingering concerns on the part of some of the people of Prince Edward Island. It is perfectly understandable that some people are concerned about what sort of effect this project will have on their lives and on their culture. These are natural concerns but by no means unique.

As a case in point I mention the bridge that connects Oland Island in Sweden with the mainland. This bridge crosses the Baltic Sea. Some 25 years ago this same type of controversy occurred in that particular community in Sweden. That bridge was eventually built and is the largest bridge in Europe, although it will be less than half the size of the Northumberland Strait Crossing. Nonetheless, as with the P.E.I. crossing, that bridge was talked about and argued about for decades before construction actually took place. There was a lot of passionate dissension about the ramifications of the bridge from some quarters before construction began, just as there has been in the case of the Northumberland Strait Crossing.

A Canadian government committee which studied the Oland bridge and a few other projects a few years ago found that it was virtually impossible to find anybody today on that island who is in disagreement with the fact that the project went ahead.

Any major commitment is to some extent a leap of faith. However this project has been carefully planned and carefully studied, and there has been a maximum of consultation with both the Government of Canada and the Government of Prince Edward Island. I know the Government of New Brunswick has also been consulted. Most important, there has been a maximum of consultation with the public involved. It is a sound and economically viable project. It is a sound and economically sensible project.

As I mentioned when I began my remarks, I look forward to the economic spin-offs for the province of Prince Edward Island and the adjacent province of New Brunswick. I ran through some of the figures about the amount of cement and steel and things of that nature which will be put into this bridge. I mentioned the size of the crane. In the short term, let alone the long term, this means jobs which are vitally important to all of our economies, particularly to Prince Edward Island at this crucial time and New Brunswick.

I can only say that besides the obvious advantages of having an important transportation link finally take place, which has been talked about for a good many years and which will take place after an extensive and exhaustive examination of the details of any problems that might occur, we have been assured that the concerns about the project can be put aside. I am happy to support this bill.

Although it is not a bill about whether we should go ahead with the construction of the link but rather a bill that will put in place the mechanics so that we can deal with the financing that will be required, I am delighted that this government has taken the initiative to ensure that this will become a reality.

I want to express appreciation on behalf of the people of New Brunswick, who will be extremely pleased when they have the opportunity to take part in the actual construction phase. I know that the people of Prince Edward Island will echo those words. It is a project of the

future and Canadians will benefit from it. It will happen in the very near future.

Mr. Iain Angus (Thunder Bay—Atikokan): I listened with interest to the comments from my colleague, who is the chairman of the transport committee and a sailor of some note. I find it a bit disturbing that he is up in the House promoting a bridge that will replace a marine enterprise.

I want to raise with him the question of jobs. He will know that during the five-year construction phase of this bridge, should it come to be, roughly 1,000 jobs will be created. We heard the previous speaker talk about somewhere between 2,000 and 5,000 person-years of employment.

Can he explain why that is better than the 600 permanent maritime jobs that exist today for people on P.E.I. and in New Brunswick? Those jobs are going to be eliminated. Is he saying that it is more important to have 1,000 people working today for a short time than it is to have 600 people able to support their families not just for four years or five years but basically for a lifetime?

That is really the trade-off between these two. Is he saying that he supports the elimination of these 600 maritime jobs just so 1,000 construction workers can be employed for a little while?

Mr. Corbett: Mr. Speaker, the workers at Marine Atlantic will know, not only because of my fondness for maritime traditions and the sea but also because of the excellent service they and Marine Atlantic have given the residents of Prince Edward Island and the travelling public over the years, of the efforts that I have exerted on their behalf to ensure the continuity of those jobs.

I believe with substantial confidence that Marine Atlantic will work to ensure that a significant number of the 600 jobs the hon. member is referring to—although I am not certain that figure is not a little on the high side—will be assimilated into other phases and areas of the work place, either with Marine Atlantic or in the operation of the bridge after it is completed.

We are looking at the passing of an era. There is no question about that. What we are replacing it with is an opportunity for additional industry and additional infrastructure, whether it be in tourism or related areas either in Prince Edward Island or in New Brunswick. There will be the creation of an infrastructure to support the bridge. It is possible that an entirely new community may be developed just somewhat north of Cape Tormentine, which will also provide opportunities for additional jobs.

In the final analysis, if one did a model of the economic scale we would come to the conclusion that not only will the majority of the workers who the hon. member has expressed a concern for—and I know that concern to be genuine having served with him on the transport committee and know that he is very dedicated to the community that he represents—will not only be assimilated into new and exciting jobs and possibilities but that many more hundreds of jobs will become evident as we proceed with the project and the project becomes a reality.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I too would like to ask a question. I appreciate the hon. member's prowess on the high seas. I also know that he is a very real fiscal Conservative who really does not like to sugar-coat the public with a lot of false numbers when it comes to taxes and costs of projects.

I admit full well all the glowing things he said about the magnitude of the project, no one is denying that. Obviously many people on the island believe it is going to be an asset in terms of construction. Obviously it is going to provide jobs. Does he not think in this time of fiscal restraint, when the government is saying it does not have money for so many things that are laudable, that there is a little hocus-pocus going on here when there is almost a $220 million difference between the subsidy that is going to this private enterprise and the cost to the ferries?

• (1330)

He is the chairman of the transport committee. I have certainly had experience on that committee. The average is anywhere from $21 million to $29 million and it has been going down. The average now is $29 million and yet the subsidy is going to be $42 million for 35 years. Without getting into the subsidy, I would like him to state what it means in terms of his taxpayers and to come clean on this thing. Part of my problem with this project is the sugar-coating of the real costs and the fact that the public taxpayer is going to be involved, not only in the construction but in a continuing way.

The minister who introduced the bill said that it was an $800 million project. The parliamentary secretary said today that it was an $850 million project. I would like to remind the hon. member, since I imagine he is aware of the study of 1987, that Woods Gordon said that the project was going to cost $1.3 billion. Does the member honestly think that the costs of a project from six years ago are going to go down? Why are we concentrating on $800 million to $850 million for the project? The main study that justified this approach in 1987 from Woods Gordon, and I can give the quote which I hope to do when I make my speech, estimated that it was going to $1,311 million.

If we are going to face facts and be realistic with Canadians, let us not tell them that it is not going to cost any money. How can you say it is not going to cost any money when you do not agree that there is such an error in the estimate of the cost of the project?

Mr. Corbett: Mr. Speaker, there was a lot of substance in what the hon. member for Annapolis Valley—Hants asked. Since I can no longer see a clock opposite me, I am not certain I have time to answer everything that was asked. I will seek your guidance as to just how much time I have to deal with it.

To begin with, I have no reason to doubt that the figures that have been projected as the final costs by the firm that has put together the bid on this project will indeed be the final costs.

I have already expressed to the House how pleased I am that this engineering firm of international stature was the consortium that was successful in having its bid to construct this megaproject accepted by the federal government. This did not come about overnight nor did it come without a substantial amount of study and investigation on the part of the people responsible for the fiscal purse.

I think we have to hearken back to the comments that were made by the parliamentary secretary when he reminded the hon. member for Annapolis Valley—Hants that not only must we take into account the annual subsidies that are paid for the ferry crossing, but we must take into account the capitalization of those particular pieces of infrastructure that are in place, including the docking facilities, wharfage, the vessels and any other infrastructure that is currently required such as the toll booths and the parking areas, all of which require not only maintenance but replacement sooner rather than later. We are not talking about penny-ante stuff here. We are talking about replacement of a vessel which is going to cost tens of millions of dollars. Over a period of 35 years, forgetting about the built-in guarantees that are not only held in performance bonds that are required by the contractor but actual cash that is in the kitty, this particular infrastructure not only will be maintained and operated for the amount of dollars that they suggest they are going to be, but at the end of the 35 year period will be passed over to the taxpayers of this country with a guarantee that the condition will be substantial enough to carry it through to the 100-year peak.

The hon. member is absolutely correct. I am concerned. I am a fiscal Conservative. I feel that in the total picture of things this is going to be a boon for the taxpayers rather than a burden.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I appreciate having the opportunity to speak at second reading of this bill today. I do so because of a strong belief that what this government is doing is wrong. That is a belief that is based not just on my assessment as a transport critic for my caucus, but is based on discussions I have had with people in P.E.I., the New Democratic Party on the island, friends of the island, labour leaders and others who are really concerned about a number of elements of this proposal.

Let me put this into a very personal context. A moment ago I raised with the chairman of the transport committee the question of jobs. When we talk about jobs, it seems like it is sort of a broad label. We do not talk about Joe Smith or Mary Smith by name. Let me bring it down to a local level.

In terms of the marine Atlantic employment on P.E.I., here are the communities and here is the payroll. It is the impact on these communities, not just at the funnel where the bridge will go but throughout the community.

Wilmot has 14 workers with a payroll of $436,000. Wellington has 11 workers with a payroll of $432,000. Summerside has 89 workers with a payroll of $2.6 million. St. Eleanors has 30 workers with a payroll of $895,000. Miscouche has 13 workers with a payroll of $513,000. Kinkora has 26 workers with a payroll of

$750,000. Kensington has 19 workers with a payroll of $646,000. Crapaud has 14 workers with a payroll of $513,000. Cornwall has 29 workers with a payroll of $1,037,000. Charlottetown has 42 workers with a payroll of $1.4 million and Borden has 115 workers and their families with a payroll of $3 million.

That puts it into context. These are real people and real communities. They are going to lose their jobs because they are not construction workers. While some may currently be employed in the collection of cash and the selling of tickets and may logically move into employment with the bridge operator, I know of nothing that is written in ink and signed by lawyers and verified, no legal proof that guarantees any of these jobs for the current workers.

Certainly on the fishery side, even though there is talk about some kind of fund—a figure of $10 million has been used—there is no guarantee that will work or that there will be anything for them to do if the fishery is destroyed.

Let us take a look at the numbers. I want to run through them again. The estimates we have heard in this House and elsewhere suggest that on the construction side we have a five year period when the work will proceed, anywhere from 2,000, 3,000 to 5,000 person-years of employment, or roughly working out to 1,000 construction jobs. Clearly there are spin-off jobs as well because the suppliers of steel, gravel and concrete all have part of that. Quite frankly I am not sure if that is included in the 1,000 or if it is over and above the 1,000.

Compare that to what exists today: somewhere in the range of between 500 and 600 ferry workers, good paying jobs, union jobs primarily but also some non-union jobs, jobs that have kept those people and their families alive, jobs that they were thinking about retiring from, whether it is in 5 years, 10 years or 20 years, depending on where you are on the seniority list. If this project goes through, they are gone. We know that the unemployment rate on P.E.I. is one of the higher ones in our provinces, so on one hand we can understand why government, whether it is the federal government or the provincial government of P.E.I., is looking for employment opportunities. That is what we are here for, to try and assist in the development of greater opportunities for people to work.

• (1340)

What we are seeing with this project is that those permanent jobs are going. They are out the door. They are over the side. There will be some temporary replacements over five years for the construction. I do not know what the numbers are for the operating side, but I would suspect it is not 600. I would suspect it is not 500, not 400. Perhaps in committee that is one of the things we can get answered so that we can have everything on the table and know what we are dealing with.

P.E.I. itself is not going to be the great beneficiary of those construction jobs. The estimates I have seen show a range of 9 per cent to 35 per cent of those construction jobs going to residents of P.E.I. The rest one would assume would start in New Brunswick, but also elsewhere in Atlantic Canada, and who knows where else in Canada those jobs will go. Quite frankly, there will be people who want those jobs because people are hurting out there.

P.E.I. is not going to be the beneficiary to the same degree as other parts of the country. That is the job side. I have not even touched the fisheries workers and the impact on them and the numbers and the families. Nor have I touched on the environment. My colleagues who have spoken before me have dealt with those issues, so I am going to deal with other aspects of the process.

Let us take a look at the dollars and cents. We have had some questions and answers about that already, but let me put it in the context of what they are paying now and what we are going to be paid if this project goes forward.

Currently the cost of operating the ferries is around $41 million. About $17 million of that comes from fares. That is what the people who use the ferries pay to transport themselves and their vehicle across the strait.

The taxpayers' subsidy is roughly $24 million. Quite frankly, Marine Atlantic has done very well in terms of reducing the level of subsidy. In 1988, for example, it was $24.4 million. In 1989 it was down to $22.6 million. In 1990 it was back up slightly, to $23.8 million.

Revenues are moving up very well. In 1988 total fare revenues for both services were $13.9 million. They moved up to $15.1 million in 1989, and by 1990 they were at $17.1 million for a total cost of $40.9 million. Marine Atlantic was doing very well in raising their revenues.

We have $24 million from the federal government and $17 million from the passengers, for a total of $41 million. This proposal for the fixed link for the bridge will require, we are told, in addition to the private capital an ongoing operating subsidy from the federal government of $42 million a year for the next 35 years.

The parliamentary secretary talked about how in the long term that was going to save money. Even though we are going to be paying out more, in fact we are going to be paying out the equivalent of the amount that the users of the ferry are paying now, an additional $17 million a year, at the end of the 35 years that subsidy will stop. I assume that is when the bridge will become ours, that is the taxpayers of Canada, as part of the BOT that my friend from Annapolis Valley—Hants was talking about. That is one way to look at it.

Currently for those 35 years we are going to be paying out an extra $600 million. We are going to save money by spending $600 million more. That is an interesting perspective. If we were to keep the ferries in operation, that $600 million would provide another 17 years of subsidy, assuming the same level, on top of 35 years.

I do not expect to be here in another 50-odd years but that money would provide ferry services to Prince Edward Island beyond my lifetime.

The other aspect of this financing, and it was mentioned again in some of the government's speeches, is that you have to re-equip. It is an aging fleet and at some point we have to replace those ferries. Friends of the Island would argue we should be adding to the fleet right now to improve service, eliminate line-ups and delays. Those are some of the economic negatives of the current system.

It has been calculated that if we replace the equipment now because of the 35-year life span, the subsidy would only go up to $25 million a year assuming we bought offshore from Korea, Brazil or Japan. Unfortunately there are not many places left in Canada where we build ships and certainly the vast majority of the ships we build are government sponsored ships. It would be $1.2 million extra because it would be amortized over the 35-year pay-back period. If we were able to produce the ship in Canada the subsidy required would be $28.5 million.

It would cost more, but a $28.5 million subsidy is still a lot less than a $42 million subsidy which this government is prepared to pay for the next 35 years to provide a fixed link to Prince Edward Island. That does not include what it is going to cost us when we accept responsibility for the bridge.

There was some dialogue back and forth that this is a concrete, not steel bridge and therefore one cannot compare it to others. In one of my previous occupations I was a construction inspector for the Ontario Department of Highways. I supervised the construction of bridges. I did the concrete. I did the steel.

I was involved in supervising the building of a bridge in Thunder Bay which was completed around 1968-69, roughly 22 years ago. For the last two years they have been pulling off the old concrete. They have been replacing the walls along the side and have redone the deck. Do you know why, Mr. Speaker? The road salt in Thunder Bay ate away at the concrete and reinforcing steel. That is after 21 or 22 years over fresh water.

What is the cost going to be to the taxpayer 35 years from now for a bridge that has been operated by those in the private sector? They will minimize as much as possible the maintenance they do, particularly the structural maintenance, because they know in another 5 or 10 years it will not be their problem any more. They are going to give short shrift to any replacement of the abutment walls, guardrails or driving surface and the taxpayers will be stuck with the tab.

We cannot just look at the dollars and cents today. It is our job to anticipate the future costs to the taxpayers. That is what we are elected to do. If we do not look at that, or if we turn a blind eye to it and say: "let us go for it, we need a quick fix, we need a quick pre-election hit in terms of jobs in P.E.I., New Brunswick and elsewhere", then we are selling the taxpayers short.

At the same time and perhaps it is not so much for me to say as someone who comes from P.E.I., but I think a fixed link to Prince Edward Island will change that island.

• (1350)

There are the psychological and sociological implications; the *raison d'etre* of P.E.I. and the lifestyle. There is a transition and whether one flies in or goes by ferry, there is not the rushing in there on four wheels with the intensity we find elsewhere in Canada.

I have been to P.E.I. a number times. It is quite a remarkable part of this country. I think a fixed link will destroy that. Only time will tell what P.E.I. will become, but it will never be the same. We have to recognize that too. As one letter to the editor suggested: "Do not forget, there is a reason why it is called Prince Edward Island". We have to be cognizant of that.

The plebiscite was held and slightly more than 50 per cent voted in favour of a fixed link. They did not vote in favour of a bridge. They did not vote in favour of a tunnel. They voted in favour of some kind of fixed link.

My community had a similar experience in terms of how plebiscites can be used for the purposes for which they are designed and that is to get your own way. Back in 1969 the province of Ontario forced the amalgamation of the former cities of Port Arthur, Fort William, Neebing and McIntyre. We had a plebiscite to change the name. That is much different and much less important than whether or not there is a bridge between P.E.I. and New Brunswick but I think the example stands.

We had a choice between Lakehead, The Lakehead and Thunder Bay. As this House knows, if there are three elements in an election the result is a split vote. More people voted for a combination of Lakehead and The Lakehead than Thunder Bay, but Thunder Bay was the top of the list and that is our name.

In the same way, the plebiscite that was put out was ambiguous. It did not say: "Are you in favour of a bridge? Are you in favour of a tunnel? Are you against any form of fixed link?" That would have been the fair way.

Prince Edward Island New Democrats have continued to call for a second plebiscite to see whether or not there is support for the bridge type of a fixed link. I suspect the vast majority in that province would say no to it.

It is extremely important that the committee hear witnesses. It is unusual for a legislative committee, but we have a moral responsibility to the people of Prince Edward Island and New Brunswick to have committee meetings in those provinces. It is their way of life. Regardless of what I may think or of what I may feel it is going to affect them. It is not going to affect me in Thunder Bay. The committee has a responsibility to hold public hearings on the island and in New Brunswick so we can hear both sides of the question. Then we can come back to Ottawa and deal with the question of the legislation itself and any amendments required that affect whether or not it is passed through this House.

It is an important issue. I believe this House has a responsibility to follow through in that way. I also believe this House has a responsibility to say no to this bill, vote it down when it comes up for a vote tonight and make sure we put an end to this idea once and for all.

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, it is certainly a pleasure for me to take part in this debate. I have been waiting for this debate for many years.

Bill C-110 provides the authority to enter into agreements and provides financing agreements to allow the fixed link to go ahead between the province of New Brunswick and the province of Prince Edward Island.

I have an unique perspective on this because I live exactly at the intersection between the province of Prince Edward Island, the province of Nova Scotia and the province of New Brunswick. I have relatives, friends and business acquaintances in each province and I often deal back and forth. I am very much affected by interprovincial trade barriers.

The Northumberland Strait is probably the biggest interprovincial trade barrier we have in the maritime provinces.

Many people consider this fixed link as a stand alone project. In my view as an Atlantic Canadian member of Parliament who is very much committed to Atlantic Canada and believes in it, we cannot compete. We can never pull ourselves up to take part in the strength of the

Canadian economy without a proper transportation system. The proper transportation system must include a fixed link between Prince Edward Island and New Brunswick.

I would like to ask members to think about something. On one side of the Northumberland Strait is Prince Edward Island and on the other side is New Brunswick. They both share the same work ethic. They both have the same resources available and the same opportunities.

On one side of that body of water in Prince Edward Island, the unemployment rate is 16.2 per cent. On the New Brunswick side of that body of water it is 12.1 per cent. The only difference is a transportation handicap for P.E.I.

I hear some members talking about jobs lost on the ferries and competing with jobs during construction. To me that is just the tip of the iceberg. The jobs lost because P.E.I. is not competitive are in the thousands, not in the hundreds.

We talk about hundreds of ferry workers and hundreds of fixed link workers but the fact is that with an unemployment rate of 16.2 per cent P.E.I. has thousands of unemployed it would not have if its people had the same opportunities as those of New Brunswick. As an over-all concept and project for Atlantic Canada it is an integral part of our transportation system.

I compared the unemployment rate in P.E.I. with the unemployment rate in New Brunswick and it is just going to get worse. Nova Scotia and New Brunswick have identified transportation, and specifically highway construction as the most important economic development tool we have.

Put aside all economic development incentives, regional development programs and everything else. If we in Atlantic Canada do not have a viable transportation system we will not achieve our goals no matter how much money is put into our area. Without transportation we cannot compete.

Nova Scotia and New Brunswick have acknowledged that. They have made every effort and are going to spend hundreds of millions of dollars on our TransCanada highway. If P.E.I. is left isolated without the fixed link, it will just slip further behind. Instead of having an unemployment rate difference between 16.1 per cent and 12.1 per cent, it will get even worse as the economies of Nova Scotia and New Brunswick improve.

Of all the three maritime provinces, P.E.I. has the lowest average income. The only province with a higher unemployment rate and lower average income has longer ferries, and that is Newfoundland. Perhaps there is some connection between the length of ferries, unemployment rates and average income.

For P.E.I. to become part of our economy and take its appropriate place we must have a fixed link. The fixed link is just a part of our total approach to transportation. We spend a lot of time here asking the federal government to help finance highways in Nova Scotia and New Brunswick because we know that is where our future is.

Without the fixed link as an integral part of our area we will not have the transportation system we need to go into the coming decades with global competition the way it is.

As a business person in Atlantic Canada living right at the intersection of the three provinces, I can attest to the handicap because of the ferry system. Maybe the ferry system is the best in the world but it still means hours and hours of delay if one is shipping a product or on a service call. It means inconsistency mostly.

Many people say it takes an hour to catch a ferry but that is not the case. Often people will wait three or four hours. If someone is trying to compete by shipping products or providing a service there is inconsistency and potential delays.

I talked to a major manufacturer's representative from central Canada this summer. He had approached me about a project in regional development and was visiting all three maritime provinces. He had just come from Prince Edward Island and had been caught in one of those line-ups at the ferries.

Without assessing it or talking to the provincial authorities or anyone, he knew he could not compete if he had to face that transportation handicap. He left the island without even a consultation and visited New Brunswick and Nova Scotia. I predict that he will set up a manufacturing facility in one of those areas. It was the transportation link handicap between New Brunswick and P.E.I. that drove him away.

In summary, certainly for the economy of Atlantic Canada we must have an up-to-date, modern transportation system throughout the whole region, and that includes a fixed link as an integral part.

I want to address some of the environmental issues that have been raised by other members. An environmental study on this particular design was requested a few moments ago by another member. If I am not mistaken, there have been seven environmental studies performed on this project. The major environmental study—

The Acting Speaker (Mr. DeBlois): I am sorry, but it being two o'clock p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

BUDGET OF MEMBER FOR ABITIBI

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, early this month I was advised in writing by the House of Commons that my main budget for 1993-94 would be increased by 3.16 per cent, pursuant to the economic and fiscal statement made on December 2, 1992 by the Minister of Finance. This represents an increase of $5,290 which I refuse to accept, speaking on behalf of Canadian taxpayers.

According to the notes on Bill C-113 provided by the Department of Employment and Immigration the purpose of these amendments is to limit unemployment insurance spending to an amount equal to 57 per cent of weekly earnings, in other words, a cut of 3 per cent for Canadian workers.

The purpose of my decision today is to limit my spending for the sake of Canadian taxpayers.

[*English*]

UNEMPLOYMENT INSURANCE

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, a report by *Le Journal de Montréal* today projects a loss of $490 million for the Montreal area economy alone between 1990 and 1994 from this government's legislative changes to unemployment insurance. This loss of purchasing power is devastating to small business, creating a spin-off of job losses that will be most severe for women and young people.

The minister suggests that cutting UI benefits from 60 per cent to 57 per cent and depriving anyone who has quit or been fired from receiving benefits will save the taxpayer money.

The government had better wake up to the fact that the taxpayer will actually pay more if these ill-conceived cuts to UI are not withdrawn.

* * *

CRIMINAL CODE

Mr. John Reimer (Kitchener): Mr. Speaker, in 1987 the House debated a motion that would have allowed the state to use capital punishment. I voted in favour of the motion because I believed that the state should have the option to execute anyone convicted of first degree murder. Today my position remains the same.

The present law provides that anyone convicted of first degree murder will be sentenced to life imprisonment without parole for 25 years. However, it is troubling that a person convicted of several first degree murders is also eligible for parole after only 25 years.

Therefore I call upon the government to bring forward amendments to the Criminal Code that will ensure anyone found guilty of more than one first degree murder charge will serve a minimum of 25 years for each conviction and that all first degree murder sentences will be ineligible for judicial review.

* * *

CANADA POST

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, Canada Post seems to have lost its sense of why it exists. Service to Canadians has always been and should continue to be the primary function of this Crown corporation.

However, the latest misguided practice announced by Canada Post leads Canadians to believe that corporation's drive for profits has pushed aside common sense. If a letter is mailed to the wrong address Canada Post will not permit Canadians to simply alter the address and send it along. Instead, we are to pay for a new envelope and a 43-cent stamp to redirect the letter or the letter could be returned to the sender.

If Canada Post showed common sense it would permit delivery to the correct address rather than going back to the sender. There would be no difference in the cost regardless of the letter's destination. Current policies are being designed to fleece Canadians, not to serve them.

* * *

[*Translation*]

TREATMENT OF CARDIOVASCULAR DISEASE

Ms. Nicole Roy-Arcelin (Ahuntsic): Mr. Speaker, February is heart month. Three million Canadians suffer from cardiovascular disease. Every year, about 75,000 Canadians die as a result of heart disease or a stroke.

This government is proud of the fact that Canadian scientists have led the way in the progress that has been achieved in the treatment of cardiovascular disease. Thanks to their discoveries and improvements in preventive care, the percentage of deaths due to heart disease and strokes among Canadians under 65 has dropped by 36 per cent since 1955.

Under its national health research and development Program, the Department of National Health and Welfare funds the heart health initiative launched with provincial governments and other partners, including the Heart and Stroke Foundation of Canada and volunteer and professional organizations in the health sector. The federal government will spend nearly $13 million on this initiative over five years.

Furthermore, during the past five years the Medical Research Council has awarded about $79 million for cardiovascular research.

There are still major challenges to be met, since this type of disease is the main cause of death in Canada. I am sure, Mr. Speaker, that you will join me in wishing them good luck during heart month.

[*English*]

RADIATION

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, it has been brought to my attention by one of my constituents that the Government of Sweden is now developing new regulations for radiation exposure which are expected to be between two and ten milligauss. This came about as a result of studies which found that children exposed to a field of two milligauss from power lines have a threefold increase in their cancer risk, while children exposed to three milligauss have a fourfold increase in their risk of cancer.

In another study carried out in Denmark it was found that people exposed to three milligauss are 64 per cent more likely to develop leukaemia.

In summary, the evidence revealed that chronic exposure to weak electromagnetic fields of two to three milligauss may cause fatal sickness.

At present the Government of Canada uses a set of guidelines developed by the International Radiation Protection Association of 1,000 milligauss for public exposure and 5,000 milligauss for occupational exposure.

Without commenting on the merit of the European studies, I am calling on the government to examine these findings and, if needed, to develop new radiation standards to ensure the protection of our citizens.

* * *

GOODYEAR

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, jobs, jobs, jobs. Over 550 new jobs have been created since 1990 at Goodyear in Napanee. These are high-tech, well-paid jobs, created to supply state of the art automotive tires to North American and European markets.

Goodyear would like to expand its facility creating up to another 450 jobs. This new expansion is being threatened due to the high cost of electricity which has increased over 40 per cent in the past four years. This increase in electrical rates not only affects our competi-

tive position to export but also threatens all small businesses and places serious burdens on home owners.

I urge the Government of Ontario and its Crown corporation, Ontario Hydro, to honour the verbal agreement and forecasts made to Goodyear that rates would not increase past the rate of inflation.

* * *

THE ENVIRONMENT

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, as the implementation of the North American free trade agreement grows nearer this government's blarney blossoms like a wild flower. In fact if the collective noses of the Tory cabinet were to grow like Pinocchio's there would be no need for the fixed link to P.E.I.

A cursory cosy review done by internal federal bureaucrats is now hailed as a full environmental assessment. Wrong. The language of the NAFTA is now claiming to guarantee that countries will not lower environmental standards to attract investment. Wrong. In the latest twist, environmental regulations are being reviewed to ensure that they will not hinder trade or do not exceed those of our other trading partners. In short, get out of the way we are levelling the playing field.

Incredibly the regulations under review cover such sensitive areas as ozone depleting substances, transportation and storage of hazardous chemicals, pulp mill effluent and ocean dumping.

This government has fundamentally failed to understand the concerns of average Canadians, people who are looking for increased safety and health regulations, not the abandonment of our air, land and water to a dangerous chemical cocktail.

* * *

BILL S-8

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, because of a presentation in my riding I missed the debate on Bill S-8. I would like to put some concerns on record about it.

Bill S-8 does not address the double standard applied to motor vehicles in Canada, depending on whether the car came through the American system or the Canadian system. Essentially a Canadian car meets the Canadian standard and U.S. cars must meet the American standard with some upgrades, but they are not the same.

In principle I do not think Americans should be allowed to sell products in Canada that Canadians are restricted from selling by law. From a consumer's standpoint the result will be a diluted and inconsistent safety recall notice procedure. From a competitiveness point of view the Canadian car industry is required to meet more expensive standards than its competition from the U.S. I will be working to establish one safety standard for vehicles in Canada, no matter where they came from, through contacts in the Department of Transport.

* * *

• (1410)

CANADA POST

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, Don Lander, president of Canada Post Corporation at a salary of almost $300,000 a year, has found yet another new way to infuriate Canadians when it comes to the delivery of mail.

Canada Post says that if a letter is delivered to you in error it is now your responsibility to place it in a new envelope, re-address it, pay for the stamp, and put it back in the mail.

The hon. member for South Shore makes the following statement:

> It is nonsense. It is an outrage with which Canadians will simply not put up, nor should they. This measure will not result in Canada Post getting its revenues in order. It will simply result in a lot of mail being thrown out that should be delivered.

I agree with my colleague opposite. This proposal should now be redirected to the garbage bin or, to quote a minister's look-alike, returned to sender.

* * *

JUSTICE

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, my constituents are concerned about the safety of their communities. Like many Canadians they have lost faith in the criminal justice system. They believe that it places the rights of offenders above the protection of society.

S. O. 31

The Minister of Justice and the Solicitor General are to be commended for the parole reforms which they have initiated. Praise for these reforms comes from many sources including my constituents.

Most first-time non-violent offenders respond well to rehabilitation and reintegrate fully into society. My constituents' concern however is about the violent, repeat and sexual offenders. Occasionally an offender is released from prison even though corrections officials know the offender is still dangerous to society.

I urge the Solicitor General to pursue actively the option of keeping designated dangerous offenders in prison beyond the end of their sentences and expanding the definition and use of serious harm provisions.

This solution would protect the public from those very few truly dangerous individuals who simply cannot be rehabilitated.

* * *

GRANTS

Mrs. Diane Marleau (Sudbury): Mr. Speaker, the city of Sudbury has passed a resolution requesting that the federal government reverse its decision to freeze grants in lieu of taxes to municipalities.

Canadian municipalities are crying foul over this government's back door approach to passing on debt time and time again.

The federal government has arbitrarily and without consultation decided to freeze these grants at 1992 levels and has proposed to amend the formula for calculating these grants.

As a result the city of Sudbury along with all other Canadian municipalities is faced with a combined loss of $80 million in the next two years, which will show up as a savings on the federal books.

One level of government cannot pride itself on tackling the debt by passing it on to another level whenever it suits it. Canadian debt is owed by all Canadians no matter at what level. It is time this government took responsibility for its share of the debt and co-operated with all other levels of government to deal with the serious problem of the total level of debt we face as Canadians.

THE RIGHT HON. MEMBER FOR YELLOWHEAD

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, on behalf of my constituents from Cariboo—Chilcotin I want to pay tribute to a truly great Canadian.

I recall the first time I met Joe Clark back in the early 1970s on one of his several visits to the Cariboo. We stood together leaning over the snake fence that surrounded the stampede grounds. That conversation was the first of many, and the more I got to know my colleague the more I came to respect him.

Joe Clark is a man whose love of his country has earned him respect from coast to coast, but it goes beyond his love of country. In an era where nearly all politicians are held in low esteem Joe Clark has been one politician who is seen by the people of Canada as having retained his honesty and integrity.

Joe Clark will be missed by his colleagues on the Hill and he will be equally missed by the many Canadians whose lives he has touched. The people of Cariboo—Chilcotin wish him well.

* * *

EXPORTS

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I rise today to challenge the government's phantom increase in merchandise exports to the United States.

The government claims that our merchandise exports to the United States have risen 11 per cent and this is the greatest surge in exports since 1984.

I cannot help but notice that the Canadian dollar dropped in value relative to the U.S. currency by 10 per cent, more than any single year since the 1970s.

This of course means that a Canadian product sold in American markets and in U.S. dollars brought 10 per cent more in Canadian in December 1992 than it did in December 1991. A Canadian exporter can realize a 10 per cent increase in sales value without any increase in sales volume.

This kind of export increase means no increase in jobs or standard of living for Canadians. While these export increases are phantoms the job losses, the business closures and the capital flight have been all too real for millions of Canadians. While we cannot blame all of

Canada's woes on free trade, we can observe that while Canada is not working neither is free trade, nor are the Tory and Liberal parties that embrace it.

* * *

SERIAL KILLER CARDS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, many of my constituents have written to me concerning the sales of so-called serial killer cards. These cards are allowed into Canada. They object strongly to the distribution of them.

Card collecting has been a pastime for young people for decades, but killer cards salute and extol those who inflict pain and death. Many Canadians consider these cards to be potentially harmful to the development of their children.

I wrote to the Minister of National Revenue on this issue and was greatly disappointed today to receive a letter in which he says that only one of three series of killer cards examined by his department meet the provisions of the Criminal Code of Canada in terms of obscenity and will be banned.

I urge the government to review the legislation which is obviously out of date so that it will reflect the majority view that these killer cards are obscene and should be banned from importation into Canada.

* * *

TRADE

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, our trade figures for 1992 are out and they look pretty good. In fact, they are so good they should be placed on the record.

As reported in Friday's front page article in *The Financial Post*, exports reached an all-time high in 1992, $157 billion, an increase of 11 per cent over 1991.

As well, our exports to the United States are up, as is our trade surplus with the United States. In fact, our over-all trade surplus increased by $1.8 billion over 1991 and the numbers are looking even better for this year.

I think our policies are working.

ORAL QUESTION PERIOD

[*Translation*]

MONTREAL'S ECONOMY

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Minister of Finance. According to an independent study obtained by the *Mouvement action-chômage* and done for the City of Montreal, the combined effects of the two reforms to unemployment insurance by this government in 1990 and 1993 will deprive Montreal's economy of over $490 million. Once again, the government is putting the burden of the debt on the unemployed and the least fortunate.

How can the Deputy Prime Minister justify taking nearly $500 million from the economy of a region which has 225,000 jobless and where the unemployment rate is over 14 per cent?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, we have not had an opportunity to examine the study to which the hon. member is referring. I suppose that the alternative is to ask the question differently. How much does it cost Montreal taxpayers to have their unemployment insurance premiums frozen? How much does it cost Montreal taxpayers to save, thanks to the measures announced by my colleague, on the additional UI premiums that they would have had to pay in 1993 for more beneficiaries or an extra payment charge?

All these measures benefit not only Montrealers but the whole province of Quebec and other parts of Canada. I know that the member does not care about the tax rate people pay or the national debt, but many Canadians and Montrealers do care.

An hon. member: That's false.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, the minister may be forgetting that in 1990, his government withdrew from funding unemployment insurance, with Bill C-21, leaving the system with a shortfall of over $2 billion.

I would like to ask him the following question: How does he think he will revive Montreal's economy when he withdraws almost half a billion dollars just in unemployment insurance? How will he help Montreal's economy recover?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I know that the Liberal Party of Canada surely cannot agree on this point because he is arguing the opposite. They think that economic renewal would require treating a world-wide recession affecting all countries in the world as they dealt with the 1981–82 recession, with interest rates at 22 per cent, a galloping debt and a higher unemployment rate than today. That is the Liberal Party's recipe. Interest rates of 22 per cent do very little to help small businesses and companies in Montreal create jobs and we have rejected that recipe for the sake of Montrealers.

• (1420)

[*English*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, according to an independent study commissioned by the city of Montreal, the combined effect of the government's reform of the unemployment insurance program will deprive Montreal of $490 million.

Assuming the government has already examined the effects of its own legislation, can the minister of employment tell us how much money is being removed from the economy of Toronto or other major cities concerning this legislation? Major cities and urban centres have a lot of unemployed people. How much money is this government taking away from the urban economy?

[*Translation*]

Hon. Bernard Valcourt (Minister of Employment and Immigration): Whether the question is in English or in French, the answer is the same, Mr. Speaker.

[*English*]

How can we ensure that the small business sector in Canada will be allowed to create jobs without an increase in taxes in 1993, by freezing premiums, by giving them a tax credit for those unemployment charges in 1993? How could we spend $260 million more to train unemployed people in urban centres in Canada? How could we target $300 million out of the UI account to help displaced workers in this country?

Well, there was an alternative: Increase the deficit or tax the people more, the recipe of the Liberal Party which we have rejected.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would like to remind this minister that it is not the government's money that is being spent; it is the people's money that is being spent.

Montreal has been called the capital of urban unemployment in Canada. There are 250,000 people out of work. Women and young people are the hardest hit in the economy and touched by this government's trickle-down policies.

How can this government defend $490 million taken out of the unemployment insurance fund when young people and women want a chance to work? What do you answer them with your trickle-down policy?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, it is not even funny. When we had the free trade debate, they were talking about Americanizing the Canadian way of life. They heard the term trickle-down in the United States and are now using it in Canada. This is the Liberal Party.

Creating jobs in this country is done every day by the private sector. With the economic policy of the government and the measures put forward, how can we best ensure that the unemployed reintegrate into the labour market? By training them.

We are spending $3.8 billion of taxpayers' money to retrain Canadians, a move that was opposed all the way by the Liberal Party of Canada.

Stand up and be honest with the people. Tell us where you stand on UI activation.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, that answer makes me quite sick and the people of Canada are sick and tired of a government that will not answer for its policies that are creating the kind of situation we presently find in Montreal.

I will tell you that we have a chilling picture of 250,000 people in Montreal out of work and you have taken $490 million—

Mr. Speaker: I know hon. members feel very strongly about these matters. I would ask hon. members to put their questions and their answers through the Chair.

Mrs. Finestone: My question is: Will this minister please go to the east end of Montreal and see the poverty? Will he go to Côte-des-Neiges and see the desperation? Will he go to the food banks and see the hunger? Will the minister and this government put back into the economy $490 million and put Canadian men,

women and children, particularly in Montreal, back to work?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, how seriously can we take the Liberal Party of Canada now talking about unemployment in Montreal when, for example, on a measure by which they were sure to see hundreds of millions of dollars invested in Montreal to create jobs—I am talking about the pharmaceutical bill—they opposed it all the way?

How can she stand here today and argue that we are not helping the unemployed when we know, Canadians know and in eastern Montreal they know that how to best help them is to give them training and programs that will help them reintegrate into the labour market.

When we tried to increase the amount of taxpayers' dollars to help them reintegrate into the labour market, it was opposed by Liberals all the way. I think the hon. member should look at what is being done.

* * *

[*Translation*]

UNEMPLOYMENT

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Finance. In its latest economic statement, the government accepted an unemployment rate of 11 per cent, a rising deficit and slow growth.

We know that unemployment costs dearly and that the only way for the economy to recover is to put people to work. That is fundamental. Can the government say how much it costs to keep unemployment at 11 per cent?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I did not indicate I was satisfied with an unemployment rate of 11 per cent. We have to be realistic about what is going on here.

We are not only coming out of an economic downturn, we are going through a massive economic restructuring as a result of the changing world economy. While the employment figures are not as robust as I am sure the hon. member or I would like to see, the facts still remain that some 161,000 new jobs have been created since August. We have had employment growth in eight out of the nine last months.

What I find rather strange is that the proposal of the hon. leader of the NDP would reduce job opportunities because there is the suggestion that Canada can withdraw into isolationism without trading with other nations. The NDP would withdraw from the free trade agreement, it would withdraw from NAFTA. Canada is a trading nation. Every $1 billion worth of exports generates 15,000 jobs. That is why we are so concerned about trading our way to prosperity. That has been Canada's success in the past and that will be Canada's success in the future.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the difference between the trade policies of this party and those of the government is that we see trade policies that create employment and not unemployment, which is what this government has done.

I want to say to the Minister of Finance that the reason we have 11 per cent unemployment is because the government has chosen policies, trade policies and interest rate policies, that have created an unemployment level of 11 per cent and more. The cost to the taxpayer of maintaining that is $27 billion a year.

The Minister of Finance often speaks of the fundamentals and getting the fundamentals right. The fundamental for every economic policy should be to ask the question: Where are the jobs? Will the minister in preparing his next budget do that and look at a full employment strategy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I know the success that her friend the premier of Ontario has had with his job creation effort. He proposed $1 billion to create jobs and I think they created 675 jobs. That is an absolute waste of money.

I have tallied up what the hon. member is suggesting. She is suggesting that they could spend $100 billion over the next five or six years and through some magical wand—I am not sure of the precise figure—we would end up with an improvement in the deficit of between $8 billion and $11 billion, depending upon whether you are

using the statement of the hon. leader of the NDP or that of her economist, Mr. McCracken.

The fact of the matter is that the Conference Board of Canada indicated that the policy stance that we are following would generate more jobs than the policy stance the NDP has proposed and for a heck of a lot less money.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the policy that this government has carried out has created the highest number of people unemployed in this country, the highest number of bankruptcies and the highest debt. It seems to me that Canadians deserve a change and deserve a change in economic direction.

We know the budget is coming up. He has asked for Canadians' suggestions. I want to ask the Minister of Finance if he will seriously consider looking at a full employment strategy in his budget? Will he look at measures which will not lose jobs for Canada, but create and maintain jobs and take a new turn in policy direction which will be in the interests of this country and its people?

• (1430)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, of course I will always listen to good sensible suggestions, not those conceived in Disneyworld, but some that really reflect the realities of our time, the changing circumstances and changing conditions.

An hon. member: Oh, oh.

Mr. Mazankowski: The hon. member from Winnipeg knows as well as anyone else that the economy is changing. We must adjust. We must adapt. We must retrain. We must improve our educational skills. That is precisely what we set out to do in the December economic statement.

If the hon. member has any sensible alternatives I will certainly entertain them. But the package presented last week is really the product of a dream world, believe me.

PEACEKEEPING

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Defence.

On Friday the Security Council, concerned over the security of peacekeeping troops, passed a resolution authorizing all UN troops, in the former Yugoslavia to use force under chapter VII of the charter. It also instructed the Secretary General to discuss with contributing states, including Canada: "Measures to strengthen the security of troops of UNPROFOR by providing the necessary defensive means".

What concrete steps is the minister taking to enhance the equipment and security of Canadian troops serving in the UN forces in Bosnia and Croatia so that they can fulfil this expanded mandate while ensuring their safety and security as requested by the UN Security Council?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, as the hon. member will know, the Second Battalion of the Royal Canadian Regiment is one of the most heavily armed battalions in Yugoslavia at the time. At this date I am advised they are sufficiently well armed and protected to meet any kind of threat that they anticipate. I will however continue to consult with the members of our military staff.

We have a fundamental policy that we will not put Canadians in situations where they are incapable of protecting themselves. That is a fundamental policy and we rely on the expert advice of our military to ensure that we have that equipment for our Canadian forces.

Hon. Lloyd Axworthy (Winnipeg South Centre): A supplementary, Mr. Speaker. At a parliamentary committee meeting last week I asked the Secretary of State for External Affairs to explain the growing gap between our increasing peacekeeping commitments and the substantial reduction or shortage of manpower and equipment in our Armed Forces. The minister at the time answered: "Do not ask me; ask the minister of defence".

So I turn to the Minister of National Defence with a very specific question. Why is it that one week she rejects any proposals for enhancing or improving peacekeeping training facilities in Canada and the next week has thousands of reservists go down to California to be

trained for new risky missions to replace regular troops because there are not sufficient regular troops in the Canadian Armed Forces? When is this minister going to stop and take time from her extracurricular political travels and present a policy paper to Canada on new security and peacekeeping requirements?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, that very clear and direct question had a variety of facets. I will try to deal with them directly.

First is the question of training of our peacekeepers and the hon. member knows who the peacekeepers are. We have the total force policy in which we are shifting the balance between regular forces and reserve forces in Canada. This is part of the defence policy and it is designed to meet the needs of the Canadian Armed Forces.

The whole point of having reserves is to have them available to call up, to be used in various projects around the world. Ten per cent of our peacekeepers are reservists. They are sent abroad after a 90-day period of training which means that they are highly trained military people. Many of them have skills in trades that are important and that we call on from time to time when needed. That is part of sensible armed forces planning, as the hon. member will know.

In so far as we have members of our Armed Forces training in California, it is not a question of not being able to have the facilities here. Alas, we do not have the weather in Canada at this moment to train peacekeepers by the end of March to fulfil a springtime mission in Croatia. It will be springtime when they get there to serve. Alas, it is not springtime here in Canada while they are training.

* * *

NATIONAL DEFENCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, the reserve forces the minister just spoke about in fact get 12 weeks of training and they do make up 10 per cent of our peacekeepers. For the relieving battalion for Croatia, reservists will make up 55 per cent.

Last week on the subject of peacekeeping, the minister of external affairs told the standing committee: "This system threatens to become seriously overloaded, not just in terms of the management of all these crises but also in terms of the personnel and financial resources needed to deal with them on the ground".

I want to ask the Minister of National Defence what she is doing about this serious challenge and warning that has been given by her cabinet colleague.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I think in fairness one ought to quote my colleague correctly.

I think all of us in the government have made it very clear that with about 4,700 peacekeepers deployed around the world in 15 different locations, we are gradually reaching the limit of Canada's ability to say yes to requests by the United Nations.

In some instances we have in fact redeployed people to areas where the United Nations has regarded our services of greater urgency than where they were at the particular time.

It is largely a question of what Canadians are prepared to spend. We have an armed force. It is designed to meet our domestic concerns and our security concerns. When they are not needed on active deployment we make them available to the United Nations. This incurs costs to the Canadian people.

We have had serious reductions in our defence budget over the last couple of years to try to meet our fiscal goals. If Canadians were prepared to spend considerably more on the Canadian Armed Forces we could accept more engagements.

What we will do in Canada is the maximum that we can to meet our international obligations, consistent also with the proper equipment and training of the men and women we send abroad to fulfil those obligations.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, the whole point of this debate and the questions is that a lot of concern is being shown over the manner in which we deploy our peacekeepers right now.

More peacekeeping operations have been approved in the last five years than in the previous 40, as the minister knows. This is at a time when government policy is to reduce our regular soldiers by 4,000. United Nations command and control is being publicly criticized. The minister should know by now that two of our serving

generals, not one but two of them have spoken out in public. They have criticized the manner in which the forces are deployed.

I want to ask the minister what effect this concern has on the morale of our troops in the field.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, once again I think the hon. member does not do justice to the things that have been said in public by senior members of the Armed Forces with respect to our role in peacekeeping.

The bottom line is that Canadian men and women are serving with distinction around the world in 15 locations to meet international obligations. The world is changing dramatically and rapidly.

From the perspective of the Department of National Defence, the Department of External Affairs and my colleague, the Secretary of State for External Affairs who has been working tirelessly on this question, we are trying to participate in the creation of a new world order. We are trying to develop rules of engagement that will enable the world to respond quickly to difficulties that now arise as a result of the loss of discipline of the cold war.

The Canadian Armed Forces must be well trained and well equipped. We cannot increase the person-power of the Canadian Armed Forces without a concomitant investment in capital equipment. That is why we are trying to raise the proportion of the defence budget that we spend on equipment, an exercise that does not meet with a great deal of assistance from members across the House.

We will continue to do this. Largely it is a question of what Canadians feel they can afford to spend in order to play a role around the world. I must say for the capacity that we have we play a role that is disproportionate to our size, and that is a credit to all Canadians.

* * *

AIRLINE INDUSTRY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport.

Rhys Eyton, chairman of Canadian Airlines, issued a plea last week. He said: "Mr. Minister, call me. Call Hollis Harris. If necessary, knock our heads together so we can do something about airline overcapacity".

Thousands of airline jobs are at stake. Has the minister called?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I am very surprised that the hon. member would ask the government to do what the management of the company knows it needs to do. Why does the company not do it?

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the minister knows full well that we would not be in the overcapacity situation if this government had not turned the regulation of the industry over to the airlines and therefore set up the scenario we now have.

The government has a responsibility to the tens of thousands of airline employees and to the communities they serve to do something about overcapacity. The minister has said in this House that he wants the airlines to do something about overcapacity. They have not acted.

• (1440)

I want to know, the employees of Canadian Airlines and Air Canada and all the people of Canada want to know, what steps is the minister going to take to make sure that something is done about overcapacity which is killing both airlines?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, certainly the hon. member knows that the whole airline industry across the world is going through a very difficult period. It is not only in Canada that airlines are experiencing difficulties. One of the largest American airlines announced last week that it would have a $1 billion deficit this year.

Overcapacity is a matter the airline industry and managers in the airline industry know about. They have the liberty to do it themselves. They do not have to ask the Minister of Transport to do what they can without any interference by the minister.

PORT OF CHURCHILL

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport and it concerns the future of Churchill.

Recent reports have indicated that the federal government is no longer going to use Churchill as a major supply route for the Northwest Territories. If this is true, it is going to cost the Manitoba economy $100 million and put in jeopardy all the airline routes into the Northwest Territories.

Will the minister give his assurance to the House that this government is not making this consideration but will continue to use Churchill as its major port for the north?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the question of the port of Churchill has been a concern of Transport Canada for a number of months. The crux of the matter is whether there will be some grain that will be handled by the port of Churchill.

We have undertaken a number of studies with the different stakeholders. The question that comes at the bottom line is whether there will be grain handling at this port in the future. If we can determine that a sufficient volume of grain can be handled at Churchill, then the problem will not be there. If we cannot do that, then of course we have to examine all eventualities.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I am quite surprised at the minister's response. The minister knows through his control of CN, through the government's control of grain movements, through the control of Transport Canada's purchase of heavy fuel for the north, through the purchases made by northern affairs that the government does control the future of Churchill.

Will the minister give his assurance? For the last eight years, the people of Churchill, the people of Manitoba, the Government of Manitoba and members on this side of the House have asked this government what it is going to do about Churchill.

Will the minister give an unequivocal reassurance to the House that the future of Churchill is assured under this government?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I repeat that over the past couple of years we have maintained the port of Churchill open in search of a viable permanent capacity of this port to handle merchandise, mainly grain.

We are continuing to look at it very seriously. We have no intention to close the port of Churchill in the immediate future but we are looking for a long-term solution.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for my friend, the minister of fisheries.

When he reached an agreement last December with the European Community to end overfishing of straddling stocks off Newfoundland, many of us were a bit skeptical and for very good reason.

We now hear that the Spanish and the Portuguese are up to their old games. They are ravaging the undersized codfish and they are selling hundreds of tonnes of one and two-ounce fillets on world markets.

Does the minister realize that all of the sweet talk and diplomacy he has engaged in has not worked and is not working? Is he now prepared to get serious about this issue and take steps to end once and for all this piracy on the high seas off Canada's east coast?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I am sure we all realize that the hon. gentleman's rhetoric is a bit on the extreme side.

There are reports that there have been very small codfish offered for sale on international markets by Portuguese owners or people of Portugal. We are checking to see whether or not that is the case.

I can report to the House that the European Community, Spain and Portugal, have not fished for northern cod in the area 3L outside the 200-mile limit since early last year. They are observing the moratorium. If this is Portuguese-caught very small fish it could possibly be caught on the Flemish Cap, 280 miles off our coast. We are asking the EC to check on this and to take action

because if it is Portuguese and the fish were taken in that area of that size, it would be contrary to the regulations and clearly it would be subject to a penalty.

I notice that the Leader of the Opposition was in St. John's several days ago and said: "A Liberal government in Ottawa would take control of the disputed nose and tail of the Grand Banks if it could or if it were possible. The trick is figuring out how to do it legally".

I have not had one suggestion yet from anyone opposite as to how we could take over control of the nose and tail of the Grand Banks, legally or otherwise. Every other nation in the world would oppose it, including the United States, Russia, West Germany, Britain and the European Community. I could name just about every other nation in the world. If that is the Liberal solution, give us a little more detail. He would do it if he could. Can he or can he not? That is the question.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the minister knows a bit about rhetoric and I say to him that this slow waltz with the European Community has cost Newfoundland millions of pounds of fish and thousands of jobs.

It was not the Leader of the Opposition who originated this idea. The minister was going around St. John's this last year or so, muttering this same idea, that if push came to shove he was prepared to take custodial management. Maybe the question is for him since he is in the administration. How would he achieve it and is he prepared to extend custodial management if the upcoming conference at the UN does not solve the problem for him?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, if I might actually quote the Leader of the Opposition from *The Evening Telegram*, February 19, 1992: "Mr. Chrétien said a Liberal government would like to extend Canada's jurisdiction outwards to encompass the Grand Banks. The trick is figuring out how to do it legally".

This is a marvellous policy. This is a policy of great specificity. We would like to extend jurisdiction if we could do it. If we could figure out a way to do it legally. If the rest of the world would let us do it.

While the Leader of the Opposition is giving off this specious nonsense trying to fool the electorate, we have originated a UN conference on overfishing. We had a meeting of 58 countries that think in a like way to us in St. John's several weeks ago to take steps to control fishing on the high seas. We have an agreement with the European Community. We have called in South Korea and asked them to remove their ships from the NAFO area. We are doing things while the Leader of the Opposition is trying to con the people of Newfoundland.

* * *

SOFTWOOD LUMBER

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my question is for the Minister of Forestry. On February 11 and 12 a panel reviewing the question of whether or not Canada subsidizes its softwood lumber exports to the United States heard evidence from Canada and the U.S. In discussions with officials from both sides in this dispute, it now appears certain that the Americans are planning an extraordinary challenge if a decision favours Canada.

Has the government received assurances from the Clinton administration that an extraordinary challenge will not proceed and that the ongoing harassment of our softwood exports will end?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, we continue to take comfort from the fact that we have a special dispute settlement mechanism which has been engaged to resolve this dispute. We are perfectly comfortable with the fact that our position will be vindicated at the end of this process.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my supplementary is for the same minister on the same ongoing problem with our softwood exports to the United States. The harassment has continued under this government and under free trade and really points out the failure of that agreement.

Can the minister confirm to the House that the GATT panel dealing with this dispute filed its final report on Friday. Will he make that report public? Will he tell the House if the government will continue to challenge through GATT, and assure us that the Americans cannot get at our raw logs, that they are here for us to process in Canada.

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, as my hon. friend knows, the harassment began before the free trade agreement was even conceived. The free trade agreement will be the solution to the harassment.

• (1450)

As far as the GATT panel is concerned it produced some good and some not so good news for Canada and of course all of the panel's findings are made public.

* * *

EDUCATION

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, the Canada Scholarships Program each year grants scholarships to outstanding high school graduates who plan to study scientific subjects in university. This is an excellent program, yet there is no way to measure how the applicants across the country compare.

I ask the Minister for Science if he would consider implementing a test to be taken by Canada scholarship applicants so that we can determine how well our educational systems are performing across the country.

Mr. Bill Domm (Parliamentary Secretary to Minister for Science): Mr. Speaker, on behalf of the Minister for Science, I am pleased to respond to this question. I realize that 2,500 Canadian students from across Canada participate in this program each year and we have now added some 800 extra students from the colleges who participate in it.

I think the member's idea is a good one. The government intends to look into it and will study it as a means of solving the problem to which he is referring.

* * *

[*Translation*]

MINING

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and concerns economic recovery, more specifically mining exploration in Abitibi—Témiscamingue and in Quebec. For several years, tax shelters and flow-through shares have been at a very low level. I ask the minister what the government will do in the federal budget for economic recovery, in Quebec or in Canada.

[*English*]

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I would first like to congratulate the hon. member on the work he has done on the Canada-Quebec mineral development agreement which was signed last month.

An agreement was reached last September at the mines ministers' conference in Whitehorse for the federal minister, the provincial minister and the industry to sit down together and look at the over-all approach and the problems faced by our industry.

Meetings have been taking place. There will be another meeting in Toronto at the prospector and developers annual meeting at the end of March, where we will be looking at both land use, taxation, environment and financing for a very important industry.

* * *

MARKETING BOARDS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Deputy Prime Minister.

One year ago this week 40,000 farmers gathered on Parliament Hill. They were concerned that the government was going to sell out their supply management marketing boards in the GATT negotiations.

Now the chief negotiators for Canada are telling private meetings of press and other people that Canada is softening its position, that in fact Canada is losing support.

Does this mean that the government is going to sell out the supply management marketing board farmers? If not, what is the government doing to support them in these GATT negotiations?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, Canada's position with respect to the GATT as it relates to article 11 in the supply management industry has remained the same. The hon. member knows that. There has been no change.

There has been some waning of support internationally. Several countries were supportive of the Canadian position but that seems to be waning. However it does not detract from the resolve of Canada to try to deal with this issue in an effective way.

The supply management industry is a fundamental part of the Canadian agricultural sector. The hon. member knows that, I know that, and we intend to pursue that policy.

Mr. Maurice Foster (Algoma): Mr. Speaker, just over a year ago the House passed a unanimous resolution supporting supply management. It called on the Prime Minister to meet with the President of the United States to secure his support for our position in those GATT negotiations.

Since the Prime Minister recently met with President Clinton, I wonder if he was able to secure support for Canada's position for a stronger supply management system, article 11 and so on. Was the Prime Minister able to get the support he was asked to get by the unanimous resolution of the House of Commons?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the Government of Canada has attempted to fulfil in every way, shape, or form the spirit of that resolution. The Prime Minister of Canada has not only raised it with the President of the United States, he has raised it as well with all the G-7 summit leaders.

At a meeting I attended in Munich in July, the issue of the GATT agreement and how we might proceed with its conclusion was very much an issue. The position of Canada has been clearly stated and continues to be stated by the Minister of Agriculture, by the Minister for International Trade and by the Prime Minister.

* * *

MUNICIPALITIES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Public Works.

The minister will be aware that the freeze in grants in lieu of taxes which the government announced December 2 was not only unilateral but it was made at the time of year when municipal budgets had already been approved in many cases.

I want to ask the minister if his government will withdraw the measure in question which will cost municipalities $80 million over the next two years, or at the very least will he delay it one year to permit municipalities to have some lead time.

Hon. Elmer M. MacKay (Minister of Public Works): The hon. member knows, because he is a knowledgeable member, that the grants in lieu of tax accounts which the federal government has been obliged to pay have risen dramatically. Reluctantly I have to tell him and members of this House that, no, we cannot accede to his request in this respect.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the chairman of the Regional Municipality of Ottawa-Carleton said in a letter to the Minister of Finance that this move by the government represents "an unprecedented intrusion into the municipal domain of setting property taxes".

[*Translation*]

I now want to ask the Minister of Finance my supplementary question. Since Canadian municipalities will lose $80 million over two years, how can the minister explain to them that he is passing his government's deficit on to them?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, what is unprecedented about this issue is the fact that the grants have doubled since 1987. Discipline has to be imposed. All Canadians are being asked to sacrifice and to cut back; provinces are, municipalities are. We all have to participate and contribute to this exercise. I would ask for the hon. member's support.

If he would like to have all the details of the growth in this particular sector, I would be pleased to send him all the information. Perhaps he can join the Government of Canada in trying to deal with the fiscal problems we have in a responsible manner.

* * *

JUSTICE

Mr. John Reimer (Kitchener): Mr. Speaker, my question is for the Solicitor General.

In 1989 as part of Canada's drug strategy, Parliament passed a law that allows police to seize the profits of crime of drug traffickers. However the law lacked a coherent plan to manage these funds. More important, local police forces do not have the resources to combat

fully the wealthy, ruthless and sophisticated network of drug traffickers.

Can the Solicitor General assure the House and the people in my riding of Kitchener who want the police to have all the possible resources in their battle against the drug trade that 90 per cent of the cash assets realized by drug traffickers will be turned over to the local municipalities?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I want to commend my hon. friend for the effort he is putting into combating this very serious problem in his community.

The government is actively pursuing a consultation process with the municipalities and the provinces with a view to sharing the proceeds of crime among the three levels of government. I should point out that the proceeds would go to the paying authority and not the actual police forces.

At the same time we are actively pursuing an office of asset management in order to look after the assets as they proceed from seizure to forfeiture. We expect to be ready to proceed in the House in the very near future.

* * *

NATIONAL DEFENCE

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Minister of National Defence.

In her answer to the question from the hon. member for Bonavista—Trinity—Conception I submit that she revealed the fatal flaw in the government's present approach to the defence policy.

She tried to justify continuing pouring billions of dollars into the reserve program, which the Auditor General said is a complete shambles. Second, she continues to justify increasing capital spending on cold war equipment which is no longer relevant in a period when the government is actually beginning to finally decrease the money it is spending on defence. She cannot have it both ways. Something has to give.

• (1500)

Will the Minister of National Defence not agree that the peacekeeping capacity of Canada is what it is giving and that the defence policy of this government needs a complete review?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): No, Mr. Speaker.

Mr. John Brewin (Victoria): Mr. Speaker, it shows how you can stay in office for a month and you can already say no. When she was appointed Minister of National Defence one of the things she was quoted as saying was that there should be a public review of defence policy. Has the minister changed her mind?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): No, Mr. Speaker. I simply do not accept the premise of the preamble, with respect to the answer to the second part of the question.

* * *

UNEMPLOYMENT INSURANCE

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, reports out of Montreal have made it clear that the UI reform will cost that city in excess of $490 million.

Would the Minister of Finance table in the House the impact studies which have been done on this UI reform, not only for the great city of Montreal but indeed for every urban centre across this country? Will the Minister of Finance table those impact studies?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the Minister of Employment and Immigration has responded to those questions earlier in the Question Period.

* * *

PUBLIC WORKS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Public Works. It relates to the spec system for engineers and architects who apply for government contract work.

It seems that the spec system works better for the larger firms and in some ways excludes or puts the smaller firms in not as good a position as the larger firms.

Will the minister review this program to ensure that the smaller firms can have access to government contracts as do the big firms? That is where they get most of their experience so they can build and progress.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, my colleague raises a good question.

After consultation with the building and trade associations about four years ago, our department implemented a contract selection process based on a computer generated selection for contracts below $1 million. We would like to continue to improve the fairness, the transparency and the efficiency of this type of award.

We would welcome any suggestions the member has. It is difficult sometimes to achieve the kind of balance that he wishes, but we would be glad to work with him on it.

Mr. Speaker: The hon. Minister of State for Finance on a point of order.

* * *

POINT OF ORDER

NORTH AMERICAN FREE TRADE AGREEMENT

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, it is expedient to introduce a measure to implement the North American free trade agreement between Canada, Mexico and the United States of America entered into between the Government of Canada, the Government of the United Mexican States and the Government of the United States of America and signed on September 17, 1992 and in particular (1) to impose custom duties in accordance with chapters three and seven of the agreement, (2) to authorize the imposition of temporary duties on agricultural goods in accordance with chapter seven of the agreement, (3) to authorize the imposition of duties for emergency action in accordance with annex 300-B of chapter three and chapter eight of the agreement, and (4) to revise the provisions in the Special Import Measures Act respecting the imposition of anti-dumping, countervailing and provisional duties relating to goods imported from Mexico and the United States of America.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 11 petitions.

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

CANADA ELECTIONS ACT

MEASURE TO AMEND

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons) moved for leave to introduce a bill entitled an act to amend the Canada Elections Act.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Andre moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and ordered to be printed.

* * *

[*English*]

BROADCASTING ACT

MEASURE TO AMEND

Mr. Scott Thorkelson (Edmonton—Strathcona) moved for leave to introduce Bill C-407, an act to amend the Broadcasting Act (religious broadcasting).

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Thorkelson: Mr. Speaker, it is my sincere pleasure to introduce this bill to amend the Broadcasting Act. Over the past few years small religious broadcasting stations have operated in several Canadian communities. These stations were recently shut down by the CRTC,

their only crime being they were operating without a broadcasting licence.

Unfortunately these stations cannot obtain a broadcasting licence. By definition the program of single denomination religious broadcasting station is contrary to the intent of the Broadcasting Act and subsequent CRTC guidelines with respect to balance, fairness, public property and Canadian expression.

In October 1992 the CRTC began public consultations into its religious broadcasting policy. I believe this is an acknowledgement by the CRTC that the conditions have changed so much since the policy was developed that a policy review is now appropriate.

The amendment proposed by this bill would enable single denomination religious stations to obtain broadcasting licences. It would also recognize a fundamental right that Canadians enjoy in every other communications medium, the right to freedom of expression.

The Acting Speaker (Mr. DeBlois): Mr. Thorkelson moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*Translation*]

PETITIONS

REQUEST FOR ELIMINATION OF VIOLENCE IN OUR SOCIETY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I would like to table a petition from residents of Val d'Or, Sullivan, Sainte-Gertrude and Amos, in the riding of Abitibi, who say that films depicting violence on television are dangerous and therefore unacceptable because they act as a stimulus for violent behaviour.

The petition also says that all toys that incite children to play violent games are unacceptable and their manufacture should be banned. It is also pointed out that repeated broadcasting of news about acts of violence on television, on all channels, and on radio may act as a stimulus for further identical violent behaviour.

Therefore, your petitioners humbly pray and call upon Parliament to pass the appropriate legislation in order to eliminate violence in our society and thus protect our children and give all citizens a better quality of life.

[*English*]

CHILD POVERTY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition to present today that has been certified as to form and content.

The petitioners state that on November 24, 1989 the House of Commons unanimously passed a motion stating:

> That this House express its concern for the more than one million Canadian children currently living in poverty and seek to achieve the goal of eliminating poverty among Canadian children by the year 2000.

Poverty among children inhibits learning and preparation for employment, constituting a cost to future national productivity. Sound national financial management demands the prevention of poverty. Child poverty is a fundamental reality of family poverty. Canada has ratified the United Nations Convention on the Rights of the Child and has a moral obligation to seek the elimination of child poverty in Canada. A political commitment to eliminate child poverty in Canada requires public commitment and initiative among broad sectors of the Canadian population at local and national levels.

• (1510)

Therefore the undersigned humbly pray and call upon Parliament to take the actions necessary to reaffirm its commitment to seek the elimination of poverty among children in Canada by the year 2000 and to develop a plan for the implementation of this commitment.

VIOLENCE

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I have three sets of petitions to present today.

The first one calls upon Parliament to understand that many studies have shown a link between violence and entertainment and desensitization to violence in our society; that hundreds of women, men and children, including seniors and the disabled, are killed every year by an increasing number of people who state that they got the idea from something they saw or who did not grasp and respect the humanity of their victims; that we are increasingly becoming a culture of violence and violence has become an ordinary part of our children's lives; that part of this culture is a game called the serial killer board game; and that the laws of Canada do not

deal with this material portraying torture, rape and murder as fun.

Therefore the petitioners call upon Parliament to consider amending the Criminal Code of Canada so that violent and degrading materials can be kept from being distributed in Canada.

This petition is signed by almost 500 people in my community of New Westminster—Burnaby.

STUDENT LOANS

Ms. Dawn Black (New Westminster—Burnaby): The second petition, Mr. Speaker, is signed by people from right across Canada. It has almost 1,200 signatures.

It calls upon the government to continue the six-month interest-free period for repayment of Canada student loans following graduation. It also calls upon Parliament to reverse the decision regarding the requirements for full-time student status and to define a full-time student as one who carries a 60 per cent course load.

As well it calls upon Parliament not to remove the six-month interest-free period on student loans and to withdraw the legislation, reverting to the principles of the Family Allowance Act, and not discriminate against those parents who are students and also use the Canada Student Loans Program.

NORTH AMERICAN FREE TRADE AGREEMENT

Ms. Dawn Black (New Westminster—Burnaby): Finally, Mr. Speaker, I have petitions from people in my community of New Westminster—Burnaby, British Columbia. Some 200 petitioners have signed this petition calling on the government and Parliament to reject legislation implementing the North American free trade agreement.

They do not want NAFTA.

DIVORCE ACT

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I have a petition from my constituents asking Parliament to amend the Divorce Act so that a mother or father, unless there is serious cause, could be prevented from placing obstacles in the relationship between a child and the child's grandparents. In other words, they ask that the act be amended so that it would be illegal for a parent to obstruct the relationship between a child and the child's grandparents.

They petition for further amendments to the act that would give a grandparent who is granted access to a child the right to make inquiries and be given information as to the health, education and welfare of the grandchild.

CANADIAN BROADCASTING CORPORATION

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to present a petition today pursuant to Standing Order 36. This petition is regarding the CBC.

The petitioners ask that Parliament recognize the tools for building a better Canada have been abandoned by this Parliament; that important national institutions have been underfunded and then privatized; and that the government has cut CBC funding by $140 million over the next four years, resulting in 1,200 job losses and the closing of 10 regional stations in Calgary, Corner Brook, Goose Bay, Sydney, Sept Iles, Toronto, Saskatoon and Windsor, as well as other areas.

I am particularly interested in this matter because Victoria, a city that is close to me, is the only capital city in Canada that is not provided with CBC radio service. I agree with the petition.

The petitioners urge the government to consider restoring proper funding to the CBC so that it can fulfil its mandate and its role as the heartbeat of Canada.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have an extensive petition that I would like to summarize.

These petitioners point out that a great number of Canadian youths who belong to middle and lower-income families are drawn out of schools at an early age due to the present financial difficulty.

They urge the government to invest in Canada's future by promoting a better educational program for students and to prepare them for global competitiveness.

The petitioners make a number of recommendations and I will summarize them very briefly. They want the reformation of the income tax law to allow middle and

lower-income parents to claim their children as dependants under certain circumstances.

They want the elimination of the goods and services tax on students' books and school supplies. They want the promotion of subsidies at the post-secondary level. They want the promotion of price control on text books and vital school supplies. They want the promotion of job training opportunities and programs for future graduates.

They want the promotion of job creation and implementation of assistance programs. They want provisions of incentives for youths to improve themselves through better education and training. They want leniency by the Secretary of State toward students whose student loans are due and who cannot afford to repay them because they have no job.

Finally, they urge the Secretary of State to involve students in all policies that affect them and Canada.

IMMIGRATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise to present a petition on behalf of many of my own constituents in Vancouver East and other very concerned citizens, particularly in the lower mainland of British Columbia.

The petitioners state that whereas they are concerned with many of the proposed amendments to the Immigration Act in Bill C-86, in particular they strongly oppose the provisions that allow decisions to be made retroactively which would cause many individuals and families who will already have relied upon an earlier decision to be affected in a serious manner.

Therefore they call upon Parliament and urge the government to withdraw these amendments.

HOUSING

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I join with my constituents in opposing the government's recent budget cuts in the area of housing.

There are approximately 164,000 tenant households looking for affordable and accessible housing. My constituents and I are asking this Parliament to urge the government to immediately reinstate all the social housing programs that were cut in the latest government budget.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, question No. 432 will be answered today.

[*Text*]

Question No. 432—**Mr. Stupich:**

With respect to the long term disability, LTD policy for public servants of National Life Assurance or Sun Life, for the last 10 years (a) what was the Treasury Board's and the employees' share of contribution (b) how much was paid out in disability income (c) how many employees were out of disability benefits after returning to work part-time (d) as employer, does the Treasury Board monitor the LTD program (e) how are discrepancies between the employees "deserved" benefits and "received" benefits dealt with (f) are all medical records and pertinent documents attached to the employees' file automatically available to them and, if so, what is the procedure (g) what is the average length of time someone is on LTD (h) what is the average LTD income expressed as a percentage based on the salary level at time of disability?

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

		Share	
a)	Year	Employee	Employer
	1970	50 %	50%
	1989	33 1/3 %	66 2/3 %
	1990	25 %	75 %
	March 1993	15 %	85%

b)	Year	DI ($000's)	L.T.D. ($000's)
	1982	$ 31,054.8	$ 5,180.3
	1983	38,635.6	5,969.1
	1984	45,954.8	6,771.5
	1985	53,881.2	7,635.7
	1986	61,571.7	8,878.6
	1987	66,953.6	9,288.0
	1988	73,195.6	9,980.1
	1989	79,549.4	11,161.8
	1990	85,190.7	12,383.7
	1991	95,845.6	13,570.5

c)

Year	DI	L.T.D.
1982	0	0
1983	0	0
1984	1	0
1985	1	0
1986	1	0
1987	1	0
1988	2	0
1989	2	0
1990	2	0
1991	3	0

d) Yes

(e) It is assumed that this question deals with the recovery of overpayments from claimants who failed to report other offsettable income, i.e., CPP and PSSA disability benefits, to the insurer in a timely manner and LTD/DI benefits were therefore not reduced when they should have been.

Once the necessary adjustment is calculated, the employee is given options for recovery of the overpayment. These could depend on how aware the employee was, in advance, of the impending overpayment, as well as the type of agreement they may have previously made with the insurer, in writing, to refund the overpayment. The potential financial hardship for the claimant, at the time, is also considered. All underpayments are promptly refunded to claimants.

(f) No. All medical documents are the property of the insurer. However, upon request from the claimant, or the claimant's legally designated representative, the insurer will: under the DI plan, release the medical reports to the claimant or to a third party designated by the claimant; or under the LTD plan, release medical reports to the claimant's attending physician(s).

(g) Average duration of all claims active at end of year, expressed in months:

Year	DI	L.T.D.
1982	51.42	
1983	50.84	
1984	51.62	
1985	53.19	
1986	55.65	
1987	58.66	
1988	61.21	
1989	63.91	
1990	65.70	50.4 *
1991	67.69	51.6

* This particular data for the L.T.D. plan became available for the first time in 1990.

Average disability benefit expressed as per cent of salary (gross benefit of 70 percent of salary minus any CPP and/or PSSA disability benefits

Year	DI
1982	51.3 %
1983	52.8
1984	52.4
1985	51.8
1986	50.4
1987	48.3
1988	47.6
1989	45.7
1990	47.3
1991	47.6

Using the same formula as the DI plan, the insurer of the L.T.D. plan has calculated the average L.T.D. benefit, as of September 1992, to be 46 percent of salary.

[*Translation*]

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

The Acting Speaker (Mr. DeBlois): The question enumerated by the parliamentary secretary has been answered. Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

NORTHUMBERLAND STRAIT CROSSING ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. MacKay that Bill C-110, an act respecting the Northumberland Strait Crossing, be now read a second time and referred to a legislative committee in the Departmental envelope; and the amendment of Mr. Fulton (p. 15586).

The Acting Speaker (Mr. DeBlois): At the suspension of the debate the hon. member for Cumberland—Colchester had 13 minutes remaining.

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, at the conclusion of my remarks before Question Period I was addressing the economics of the fixed link.

I just wanted to summarize my earlier remarks. The fixed link will eliminate an impediment to trade among the three provinces of P.E.I., Nova Scotia and New Brunswick when it is completed. There certainly is now an impediment to transportation and economic development.

The Northumberland Strait is a body of water between P.E.I. and New Brunswick. On one side of that body of water the unemployment rate is 16.2 per cent and on the other side it is 12.1 per cent. The only difference is that P.E.I. has the disadvantage of the poor transportation system between the two.

I started to address some of the environmental concerns that have been brought up over the years. I had mentioned that it had gone through seven environmental studies, the most complete of which addressed the ice-out situation. It recommended that, based on an estimate of a seven-day delay due to ice-outs, the project not go ahead.

• (1520)

A more specific study was done on that problem which addressed it based on a generic type of fixed link that is being proposed now. It arrived at the conclusion that that type of bridge would well meet the criteria of a two-day delay ice-out period. In fact, the period under the present plan is considered to be substantially less than the two days required by the environmental process.

The way they plan to build the bridge is interesting. They plan to build as much of it on land as possible and then take the assemblies out and place them in the water. There will be some dredging taking place during construction but there will be little. There will be less than there is now in the Northumberland Strait over a two-year period, and the bridge will be constructed over five years. Therefore, in terms of upsetting the fishery or the environment, there will be far less dredging than is being done now.

Again the design is very unique. It is very interesting that they have decided to build almost all of it on Prince Edward Island.

The impact on fishing will be addressed. During construction there will be a small impact on the fishery. There have been offsets put in place for the fishermen. A subject that nobody talks about is the advantage to the fishery when it is completed. There is a good chance the fishery will be enhanced. Anywhere there has been a man-made structure like the fixed link with a large amount of construction being done under water as in Canso or Bar Harbour, Maine the fishery ends up being concentrated on these structures. It creates a natural habitat for lobsters and other fish after completion of the project, which runs contrary to the argument that it may upset the fishery.

Another point that is not understood is that the ferries that go between New Brunswick and P.E.I. are allotted a wide swath from P.E.I. to New Brunswick in which there is no fishing allowed at present. It is a large area and it will be eliminated. When the bridge is completed that area will be given back to the fishery again.

There probably will be a small negative impact on the fishery during construction. However a lot of people, including myself, think there will be a much larger positive impact after the project is completed. Some people suggest there will be a battle among the fishermen over the 44 abutments of the bridge. They will each want to have one or two. I expect that will be an interesting procedure.

I have attended many presentations by the president of Strait Crossing Incorporated. Mr. Giannelia has gone out of his way time and time again to meet with people in New Brunswick, Nova Scotia and P.E.I. He will meet with anyone, he will answer any questions or concerns and he accepts advice and direction at all of his meetings. I am impressed by the way he handles questions. There is no time limit. He will take as much time as is required and is not afraid to touch any subject. He has thought this out, is very determined to go ahead with it and is determined to meet the time guidelines as outlined. Every aspect of the project has been addressed from an environmental perspective and every part has had its environmental impact addressed. It will be considered at the time of construction.

I live in one of the communities that is closest to it on the mainland side, Amherst, Nova Scotia. It is a very big and important project for us. Many people are skeptical that it will ever get started because we have had so many starts in the past. However, it now appears that it will go ahead. To say the least, we are excited. Our business communities have come together to make sure that we have the best possible facilities to address the needs of the people and the companies involved in building the project.

The project has met all the standards demanded by the environmental review process. It has met the standards of the P.E.I., New Brunswick, Nova Scotia and federal governments. It has passed the referendum process in Prince Edward Island. It is extremely important to people in the area. It is a win-win situation for everyone as we see it.

One member said it had a one-two punch a little while ago. I would like to add a few more punches to it. He said it had one punch as a construction project, that is true, and a second punch as a tourist attraction.

Probably the most important punch is that it will be a key to our transportation infrastructure in Atlantic Canada. It will be a very integral part of the over-all transportation system and it will help us as a region to be competitive, and help Prince Edward Island specifically to be competitive.

Certainly the over-all economic impact will be substantial. We have heard figures today of $800 million and $850 million, and we have heard figures even higher than that. By the time it is done the peripheral impact and all the housing, supplies, and services and goods that must be supplied to the people will be over $1 billion. That is very attractive to us in our area.

The people of the region are most excited and anxious to see it go ahead. I appreciate this opportunity to speak on it and I certainly hope it moves along as quickly as possible and is as successful as we think it will be.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the previous speaker in his remarks referred a number of times to environmental assessment and said that the project has undergone a number of environmental assessments.

That is true. The environmental assessment recommended that the project not proceed. How does he justify supporting a bill that the project proceed when the environmental assessment said no?

Mr. Casey: Mr. Speaker, the environmental assessment said the project should not proceed if the ice-out was going to be a seven days delay as it predicted.

When the specific environmental assessment on the ice-out was done this generic plan came up with the criteria that it would only limit the ice to two days a year. The original reason for recommending it not proceed was that the environmental assessment panel predicted that it would take seven days for the ice to go out. That was just an assessment, and based on that assessment it should not go ahead. However, the panel said if it could meet a two-day ice-out it could go ahead. The present plan more than meets that criteria.

Mr. Nowlan: Point of order, Mr. Speaker. I have been in this House from the first minute of this debate. I am from Atlantic Canada and have an unusual interest in this debate. I have been taking count of the different members and have no hesitation in putting my time in purgatory for the normal switch in rotation between government and opposition members.

However, there comes a point of no return when members who are not even in the country when this debate started, let alone in this House, take priority over a member who has been here from the first minute of this debate.

With all due respect to my friend from British Columbia, whom I respect and used to enjoy when he was out in British Columbia, this is the fourth NDP member that has spoken. There have already been three. There have been three to four government members and two Liberals, and I have been here since the first.

Mr. Speaker, I would like some explanation of why you have been blind to this seat in the rear. Are you following a list? Of course you most likely are not because you do not follow a list in the theory and mystique of this Chamber.

I would like a clear explanation.

Mr. Speaker, the hon. member you just recognized was not even in the House today when this debate—

Mr. Barrett: Oh, come on.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. DeBlois): Order, please.

[*Translation*]

I listened very carefully to what the hon. member for Annapolis Valley—Hants had to say, and I realize he has a particular interest in this bill which has an impact on the area he represents. When recognizing members, however, the Chair must consider the number of members representing each party.

I have been in the chair since the beginning of this debate, and we have now had four members on the government side, two Liberal members and two NDP members speak to the substance of the bill. I also recognized the hon. member twice during the period for questions and comments. In accordance with the traditions of this House, I believe the Chair will again have to give the floor to members of the recognized parties before switching to an independent member. That being said, I can assure the hon. member that I am very much aware of his interest in this debate and that at the first opportunity, I will be delighted to recognize the hon. member as a speaker on the substance of the bill.

• (1530)

[*English*]

Mr. Nowlan: A point of order, Mr. Speaker. It is just a suggestion. You are a kind man, but the suggestion you use is the fallacy in the whole procedure. You talk about recognizing parties. If you check the rules, you will find that individual members and parties *per se* are not mentioned. The numbers you talked about of members taking part in the substance of the debate, with respect, is incorrect. There were three NDP members recognized before your recognition of the last member.

I would like to know for future reference, and I am serious, about people who have participated in this debate who were not even in the country. I understand how the system works. I have been around here for a few years.

I do not mind putting in the time waiting when other members are here and you take the natural rotation, whether you use a list of parties or whatever, but there has to be an order. I am asking you as Speaker, do you mean to tell this member and other members that the time you sit in this Chamber makes no difference as to recognition by the Chair?

[*Translation*]

The Acting Speaker (Mr. DeBlois): I do not think there is anything in the Standing Orders about speaking time being allowed on the basis of the amount of time members spend in the House. I believe I am acting in accordance with parliamentary tradition by giving the floor to members of the various recognized parties who then speak for a certain time. As for independent members, I think it is only fair to wait until a certain number of members have spoken before giving him the floor. That being said, so far I have recognized the hon. member's special interest in the subject by giving him the floor several times during the period for questions and comments, and I believe I am entirely fair in recognizing once more the hon. member for Esquimalt—Juan de Fuca. And I should be delighted to give the hon. member for Annapolis Valley—Hants the floor at the earliest opportunity.

[*English*]

Mr. Barrett: Mr. Speaker, at the outset I must say that I have deep respect for the member for Annapolis Valley—Hants. I know that he will participate in this debate. However, to suggest that others have not been in the House is factually incorrect.

Having said that, that is against—

Mr. Nowlan: A point of order, Mr. Speaker. It just so happens that the hon. member is not stating facts. The member for Fundy—Royal who spoke this morning was not in the House when this debate started. The parliamentary secretary was not in the House when this debate started.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order. As an experienced parliamentarian, the hon. member will appreciate that a member does not refer to the presence or absence of a colleague in this House.

[*English*]

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I want to thank you again for recognizing me for the third time. I hope I will be able to participate in this debate and I hope that others will also at the behest of the Chair.

At the outset let me say that I am opposed to the spending of taxpayers' dollars on this boondoggle. Let me further say that the government is spending $42 million a year for 35 years for this missing link. The missing link is supposed to bring Prince Edward Island together with the rest of Canada, while at the same time we are currently spending $21 million a year for a ferry.

This is typical Liberal and Conservative thinking. If you want to save $21 million a year, spend $42 million a year to do it. How dumb can they get? They are spending $42 million a year to correct a problem of spending $21 million a year. The government and the opposition spend

all their time talking about there not being enough money for the unemployed, for unemployment insurance and no new money to create out there off the so-called money tree for projects. However, here we have a massive megaproject designed to spend $42 million a year to correct a $21 million a year problem. It is just as simple as that and I think the member for Annapolis Valley—Hants also has the same position on this issue.

We hear every single day from the Tories and from the Minister of Finance about how they are responsible for fiscal matters of this country. They say that this bridge is needed to Prince Edward Island to save money. I repeat, they are spending $21 million a year to run a ferry and now they are going to spend $42 million a year for 35 years to save twice as much money as they are losing.

Mr. Lewis: Bridges do not go on strike.

Mr. Barrett: Now this is the good thing. The Solicitor General—

Mr. Lewis: Bridges will not break down.

Mr. Barrett: Bridges do not go on strike. Now is that not interesting. This is very genius-style Tory thinking.

Mr. Lewis: Thank you.

Mr. Barrett: Bridges do not go on strike. Therefore if we spend $42 million a year to save $21 million a year we will be avoiding a potential strike. Genius at work. Tory genius supported by the Liberals in this House.

My dear friends, they talk about Tory economics. In the province of British Columbia we have the Lions Gate Bridge that needs maintenance every single year. As a matter of fact, over 50 years they have probably replaced the capital value about five times in simple maintenance.

My dear friends over here, be serious. How serious can you be if you are so dumb as to spend $42 million a year to save $21 million a year? Do you think I am exaggerating? Just look at the figures and the justification and he says: "Bridges do not go on strike". This is the same kind of stupidity that is putting up all that money for Hibernia so that the American oil companies can benefit.

Who was the consortium that is going to get the money that is being spent? Seventy per cent of the consortium is owned in Great Britain and in the United States.

Prince Edward Island has a population of 125,000 people. If you give them an option of $8,000 per person and promise not to build the bridge they will take the money. Why give this money to a consortium that is not even in the country to build a bridge—

Mr. Crosbie: Is that the NDP policy? Is that your policy?

Mr. Barrett: My dear friend, your policy is to spend $42 million a year to save $21 million a year. You are an ex-Liberal who is now a Tory. You speak out of both sides of your mouth because you both support it. Both the Liberals and the Conservatives support this dumb bill, this missing link policy and it is not going to solve their missing link.

Here are these so-called calm, intelligent, rational, fiscally conservative cabinet ministers screaming at me simply because I am exposing the stupidity of spending $42 million a year to save $21 million a year. I have never seen the minister of fisheries so worked up since he last kissed a cod. The minister of fisheries, who finds more ways of going around and getting into trouble, has found another one today and that is he is not attacking anybody. He is throwing money away.

I find it interesting that these so-called responsible Conservatives actually go around the country saying: "Oh, we cannot spend money on day care". No, that goes towards kids. "Oh, we cannot spend money to create jobs", although it goes to men and women. "Oh, yes we would like to help the native people", but they do not have any money for that. As for old age security they have to have a clawback. It has to save all this money so it can spend $42 million a year to save $21 million a year. Suckers like that were what P.T. Barnum described as an abnormal birth rate. This unbelievable stupidity manifests itself out of this government with support of the Liberals. This is the tacit coalition that goes along in this country. The Liberals and the Tories have no monopolies on dumb-bells. They have a common interest in them.

• (1540)

Why are they spending this money? What are the economic benefits? Reveal the environmental studies. The company that is going to benefit is 70 per cent

owned in Great Britain and the United States. If you are going to rip somebody off, in other words, the Canadian taxpayers, at least rip them off for the benefit of Canadian companies. However, the government does not even do that.

I can hear them down in the United States saying: "Do you know what we got those dummies to do in Canada? They are going to build this bridge from New Brunswick to P.E.I., spend $42 million a year and we got a piece of the action in the company". In the board rooms of the same construction company in Britain they are saying the same thing: "We could have given them tunnel technology, but no, they wanted a bridge. Whatever they want, we will give it to them if the suckers want to spend that kind of money".

It is $8,000 per person in Prince Edward Island. If we give the people in Prince Edward Island the option to vote on whether they want the $8,000 per person or this bridge, guess what they will go for. Give them the vote. Let us see what they go for.

Mrs. Sparrow: They have already had a vote.

Mr. Barrett: They did not get a vote on the eight grand. They did not get a vote on the money they could make. They do not own the company in Prince Edward Island. They are not going to get sweet boom all on Prince Edward Island except the chance to sell postcards of this long 13-kilometre bridge which probably by the time it is finished, with the amount of money and the costs going up, will be a single-lane one way.

An hon. member: Oh, get off it.

Mr. Barrett: Get off the bridge, she says. You explain to the people in Alberta why you are going to spend $42 million a year to save a $21 million problem. I will go to Alberta with you and we will go up on a platform together, along with my good friend from Annapolis Valley—Hants. We will stand up and say: "Okay, you tell us why we should spend the taxpayers' money on this".

It is so dumb, they take it seriously. I thought this was all a joke. I thought this was started on April fool's day and got carried out of whack. But they are serious. They really intend to do this.

We have heard of horses on the payroll, we have heard of the boondoggles that this government has put up over the years and what do they say to me? "Oh, you're going to lose votes in P.E.I." If they want to buy votes, they can do it a hell of a lot better and a lot cheaper than this kind of buy-out. How many votes are they going to get in Britain from the construction company? How many votes are they going to get in the United States? If they want to buy votes, just do it right up front. Give them the money up front. Be honest about it.

Is this a matter of buying votes or is this a matter of sensible fiscal responsibility? Bridges do not go on strike, said the minister. Ding dong, it does not mean a thing.

Is there anybody in this Chamber who has got $42 million a year worth of projects they would like built in their riding? Just stand up.

An hon. member: What about the deficit?

Mr. Barrett: Never mind the deficit, my dear friend. This is politics. The deficit does not count when we are talking about regional voting. If we throw money at the bridge, maybe they will vote for us. I think this is an insult to the people of Prince Edward Island. I think it is an insult to the people of New Brunswick. It sure as hell is an insult to the people of Canada who have to pick up the bill for this boondoggle.

Mrs. Dobbie: You are picking on little Prince Edward Island.

Mr. Barrett: Picking on Prince Edward Island? Its people think it is a joke. They think it is a great deal of fun to pull the wool over Canadian eyes, saying we can spend $42 million a year to save $21 million a year. This is the new Tory-Liberal thinking.

I challenge the members from New Brunswick and P.E.I. to stand up on the platform and say: "This is the way we are going to get this country out of the financial mess. We will spend twice as much to save half as little". Will they get up on a platform and explain it that way? No, they will not. But that is the reality.

That is the absolute reality. How do they justify the Great Britain and United States company's 70 per cent consortium owned offshore? Why are we spending the money to enhance contractors in Great Britain? I do not know. Why are we spending the money to enhance contractors in the United States? I do not know.

I want to let you in on a secret. I know this project is dumb. I know there are politics involved and I know they are seeking votes, but there are no votes for this government in England. Those members have not even figured that out. There are no votes for this government in the United States. They have not figured that out either.

If you are going to sell out, if you are going to do something for political reasons, at least do it where you will get some votes. You are insulting the integrity of the traditional honour of buying votes by going offshore. You are buying votes in Britain and the United States. That is dumb.

Now for the Liberals, why are they agreeing with this? Do they think they are going to get votes out of it? They already have seats in P.E.I. What are they going to get out of it? Are they going to say: "Look at us. We have an edifice complex. We helped build this bridge. We can have our name on a bronze plaque" right at the level where the sea salt water will erode the quickest, we hope.

There will be all the sitting members of Parliament cemented into this bridge. There they are for posterity, every one of them. Do you know what? They are hoping that everybody in P.E.I. will come, look at their names on the bridge and say: "Mmm, I am going to vote for that guy".

They are insulting the people of P.E.I. They are insulting the people of New Brunswick and they are insulting the rest of us Canadians. I thought this kind of pork-barrel politics was over.

Mrs. Dobbie: What do you suggest?

Mr. Barrett: I suggest that if you can find an extra $21 million a year, you can start spending on people who are hungry.

Spend it on kids who can go to school and have a hot meal inside their stomachs. Spend it on the education of people in P.E.I. Spend $42 million a year on university and technical schools in the maritimes. Upgrade those schools that you blab about over there all the time.

Spend money for the seniors. Spend money for the pioneers who built this country, but not $42 million a year to provide some offshore corporations with money that they can profit from to save $21 million a year.

What do I suggest? I will tell you what I suggest. Your mathematics are stupid. The project does not make sense. Also, anybody who gets up in this House and supports it by saying: "We can solve a $21 million a year problem by spending $42 million" needs their head examined by the Auditor General.

I challenge this government and the opposition to call in the Auditor General and have him do a study of this. I challenge them to say the Auditor General can show how you can save $21 million a year by spending $42 million a year.

It is the same kind of mentality as spending all that money on Hibernia to provide the Americans with offshore oil. Even the ships and the infrastructure for Hibernia are being built offshore. I do not understand it. If it is good politics, then let the people of New Brunswick and Newfoundland decide if they want the money directly in their pockets. Do they think it should be diverted through the consortium that is owned in Britain and the United States?

What are the economic impact studies? Who has done them? What of the environmental studies? Many more need to be done. What about the way of life on Prince Edward Island being the same as British Columbia? We have Vancouver Island. Do you want to spend $45 million a year to solve our ferry problems? You have not given the province of British Columbia one single penny to pay for transportation between the mainland and Victoria, not one penny.

Since W.A.C. Bennett brought in the ferry system between Vancouver Island and the mainland, not one cent of Canadian taxpayers' dollars has gone to help British Columbia's need for intercoastal ferries, not one penny. Those ferries are built in B.C. by B.C. workers in union shops. They are not on strike.

I am not here to lament the failures of past Liberal and Tory governments. I want to put that on record but how can you keep that up and deny the rest of the Canadian people an option for the same money? Is it politics? It is stupidity, absolute stupidity.

• (1550)

I challenge every single Tory cabinet minister who holds a seat from Manitoba west to come on a public platform with me and justify this project financially in western Canada.

I challenge the cabinet ministers from the province of British Columbia to have a public meeting in Vancouver, stand up on a platform and say: "Yes, we have decided on a new way to save money. We are going to spend $42 million a year to save $21 million in P.E.I. and you still do not get a penny out here in British Columbia".

Since 1960 we have built and run government owned ferries in the province of British Columbia, paid for by the taxpayers of British Columbia and not one cent came from Ottawa. We never once complained about the subsidies given to the maritimes. Now we are complaining that the subsidies are misdirected.

Ms. Mitchell: And they took away the *Polar 8*.

Mr. Barrett: The *Polar 8*. We never even got that.

I agree with those critics but my agreement is something more uncomplicated. This is sheer vote buying at the stupidest level that one can think. If you want to do some vote buying, give the money directly to the people, not to a consortium offshore and not for a fixed link that makes up for the missing link that does not go with the thinking both of the Liberals and of the Tories.

You cannot justify this financially. You should all be ashamed of yourselves in supporting this, every single one of you.

Mr. Joe McGuire (Egmont): Mr. Speaker, I would like to remind the member for Esquimalt—Juan de Fuca who commented about insulting the people of Prince Edward Island that the majority of people in Prince Edward Island voted for the fixed link to New Brunswick.

We have heard the NDP with its high moral pronouncements for some time now. The previous speaker just alluded to what a thin veneer that actually is.

I will go back to *Hansard* of February 8, page 15591, when the member for Saanich—Gulf Islands stated at the beginning of her speech: "The population of my riding of Saanich—Gulf Islands in the 1991 census was 122,051 and the population of Prince Edward Island is 129,800 people. The people of Saanich—Gulf Islands might very well ask where their billion dollar project is when you are talking about per capita dollars".

That means if a private corporation wanted to spend $1 billion building a bridge across to Vancouver Island, these people would be all for it. They would not be up here saying what a vote buying thing this is. We have four seats in Prince Edward Island. That is not a lot of seats in a 295-seat house.

The fact remains that if the federal government or a private corporation was willing to build a bridge to Vancouver Island, this party would be all for it. Now in British Columbia they are saying what a terrible thing this is that the people of Prince Edward Island may have good transportation but for the rest of Canada we should make it more economically viable. This is sheer hypocrisy.

Mr. Barrett: Mr. Speaker, if this gentleman is saying this is not to buy votes in P.E.I., if the hon. gentleman is saying that four seats do not count, let me remind the member that politicians count every single seat as important. If they think that it is going to be a close election, this sounds like a good deal for New Brunswick and P.E.I. and for the governing party.

He did not address the specific problem that I raised. Why spend $42 million a year to solve a $21 million a year problem? You are a Liberal and you support it. You are up every single day in your front benches attacking this government for not spending money on the unemployed, not spending money in terms of education and not spending money on the environment. I hear hon. members from your front bench every day get up and complain as the Official Opposition, but on this deal you are in favour of it. It does not make any fiscal sense and it shows the sheer shallowness of the Liberal Party.

You are so shallow it is all surface, $42 million. That is pretty shallow, but they are at it. This party that is leading the polls and says trust us is willing to go along with that dumb boondoggle to spend $42 million to solve a $21 million problem.

You come out to British Columbia, I will go to P.E.I. and we will both state our positions. Tell me how you can justify demanding that the taxpayers of British Columbia pay 100 per cent of those ferry charges for the link between Vancouver Island which was a Crown colony and because as a Crown colony it tipped Confederation into Canada.

We will talk about the railroad and how you and the Liberals have taken their responsibilities for what they signed over 100 years ago and you have subsidized them too.

You have caved in on every single responsibility from the private sector and now you are going to use public money for this boondoggle.

I find it absolutely amazing the tortuous route both the Liberals and the Conservatives find to waste taxpayers money on stupid things like this. If you think you are right come out to B.C., stand up in British Columbia and tell all British Columbians why we should pay a share of this dumb idea when we do not get a single penny for our transportation costs from the mainland of Vancouver to Vancouver Island. You come out and tell us that. You come out and tell us why you should double the amount.

Mrs. Dobbie: Are those real tears?

Mr. Barrett: I do not mind the heckling. I enjoy it but there does reach a point where stupidity is so transparent it even exposes the Liberals and the Conservatives.

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I was driven to my feet by the logic of my hon. friend.

For years the province of British Columbia has argued that the Government of Canada should run a railroad train up and down Vancouver Island on the basis that it was in the original agreement whereby B.C. came into Confederation.

My hon. friend should obviously know that in the original agreement whereby P.E.I. came into Confederation it was guaranteed access to the mainland. What we are trying to do is give them better access, access that does not break down.

My hon. friend is not from the province of Ontario where we have tourists going to P.E.I. all the time. The biggest problem is the wait for the ferry. My hon. friend does not know anything about that. In your party you maybe do not have to wait for ferries but in our party you do.

An hon. member: You can wait for hours in B.C.

Mr. Lewis: I think my hon. friend has to get it right. If he wants to apply the principle when it comes to B.C. he has got to apply the principle when it comes to P.E.I.

Mr. Barrett: Do you think that the Tories recognized the principle of the E & N railroad when CPR closed it down?

An hon. member: No.

Mr. Barrett: No. We had to go to court. We did not get any help from the federal government. You are the ones that allowed the railroads to be disbanded. The passenger service that was promised when the CPR came in, it was the Liberals and the Tories that took the CPR off the hook, and never took back one single Crown grant. They gave them forest rights, they gave them mineral rights in this country, they gave them land 10 miles on both sides of the railroads and as soon as the railroad said "Oh, we are going broke" the government said "We cannot stand this. You poor railroads. We will take it over and pay for it out of taxpayers money".

Do not give me that humbug that this government or the Liberals ever stood up for the Canadian people on the original deal on the railroads. We had to go to the Supreme Court of British Columbia to get our rights to get the railroad back.

The record of both the Liberals and the Conservatives is one of consistent sell out, not only of the west but every single taxpayer in this country. To suggest that there is any difference between this government and the Liberals is absolutely a fabrication. The people of this country are getting hosed again by stupid deals that do not even have a reasonable payout to ordinary people in this country.

I cannot make it plainer than that. I challenge my good friends to stand up on any public platform in any city of this country and argue this stupidity. I will argue against it and we will see what the audience thinks.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I am really very surprised at the vehemence the hon. member is showing today with respect to this question of a land transportation link to Prince Edward Island.

It is certainly not induced by political gratitude on the part of the government since the government did not receive any support by way of seats in Prince Edward Island in the last election and it may or may not receive seats in Prince Edward Island in the next election. This project is being put forward and supported by us because

it is something that was felt to be good for Prince Edward Island and the maritimes generally for the last 100 years, and it is now physically possible to do it. It is possible to do it on an economically sensible basis because it is not going to cost the people of Canada anything to operate this structure once it is up, other than what we are already paying for the costs of ferry services that now go from New Brunswick to Prince Edward Island. It is a perfectly sensible proposal on its own feet.

• (1600)

Mr. Barrett: You never give us a penny.

Mr. Crosbie: Alice in Wonderland would be boggled to hear the hon. gentleman get up from the other end of Canada with wrong information and damn a project in another part of the country because we are not building a bridge at the moment from Vancouver to Vancouver Island or whatever silly, picayune objection he is making.

This is what is wrong with our country. We have so many people like the hon. member who are jealous about whatever any other section of the country gets. Gentlemen like the hon. member are jealous about it and try to create and foment trouble about it.

You are an enemy to national unity with the arguments that you presented in this House: jealous, narrow-minded, picayune, selfish arguments that you are not getting something out in British Columbia—

Some hon. members: Oh, oh.

The Acting Speaker (Mr. DeBlois): Order, please. In fairness I give two minutes to the hon. member.

Mr. Barrett: Not only, Mr. Speaker, would I ask the member to withdraw personal insults but I feel complimented by the minister from Newfoundland. I am not a woman so he could not go all the way.

Let me say this: He can attack me personally all he wants. He can say anything he wants about me. It does not hurt. I have been in this business just as long as he has.

They still have to justify why they are spending $42 million a year to solve a $21 million problem. If that makes me a bad Canadian then his logic is all screwed up. I am fighting for the taxpayers, not for some jingoism.

The Acting Speaker (Mr. DeBlois): Before giving the floor to the hon. member for Annapolis Valley—Hants, I recognize the hon. member for Calgary Southwest.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am very pleased as an Albertan to be able to participate in the debate on Bill C-110. I have to say I was quite appalled at the previous speaker with regard to how Canada works together to help its brothers and sisters from coast to coast.

This bill takes us into the future. We are not going to continue to live in the past. We are going to move forward so we can be more competitive and give the people in the Atlantic region of Canada the ability to have upgraded infrastructure to promote their agriculture and their tourism and allow them to get on with things that you and I, Mr. Speaker, take for granted because they have been in our provinces for quite some time.

The positive economic factors of this bill are far greater than any of the negatives my friend from Esquimalt has been talking about. As a matter of fact it is probably one of the greatest opportunities that P.E.I. has ever had. I congratulate P.E.I. and its former premier, Joe Ghiz, as well as the former premier of New Brunswick, who worked very diligently and hard with the federal government to see this come to a reality.

I have had two or three questions with regard to the environmental review. I have to say that environmental reviews are very important with regard to all projects. This one was submitted to an environmental review. There were certain qualifications put on it with regard to the ice flow. With all due respect the government did appoint a very special committee of ice experts who said that if a bridge or the fixed link could be built with less than two days ice-out per year it would be all right with EARP or the Environmental Assessment Review Panel, which of course was done.

Let us just back up a bit and talk about this. This is not something new. It has been going on now for pretty well seven years and has been through the various environmental studies. I have to say that a plebiscite was held in

P.E.I., I believe in 1988, and the majority of people on the Island voted in favour of the fixed link.

We all recognize there were some who voted against it for various reasons. A lot of them would have to do with their feeling of becoming too modern or taking them into the next century where they do not want to move. It was a fair vote. It did win the majority and we will go ahead with it. As I said, the ice flow has been taken care of which then means that the environmental review does stand approved.

With regard to the subsidy of $21 million the hon. member from B.C. discussed a few minutes ago, every year it costs to operate ferries between New Brunswick and P.E.I., something in the area of $21 million or $22 million.

An hon. member: It was $27 million in 1988.

Mrs. Sparrow: In 1988 it was $27 million. We also have a problem with regard to the age of the ferries and the mechanical upkeep and repair that need to be done. There have been proven documents set forth with regard to the need for four as a minimum and perhaps five new ferries. Each new ferry would cost between $110 million and $140 million. If that is prorated with the operating costs and the capital expenditures over the 35 years then we come to the $42 million in 1992 dollars. It is not a gift of the taxpayers of Canada. Indeed we are building the capital expenditures into the operating expenditures and putting out some pure facts.

I want to speak a bit about the call for proposals. Three proposals were accepted. On the final review the winning firm was Strait Crossing Incorporated with its head office in the city of Calgary from whence I come. While it is a consortium, it is a Canadian company with its head office there. Not 100 per cent but 95 per cent of the work is going to be Canadian content, with most of it coming from the Atlantic coast, which is right. Of course the engineering and design of the fixed link will be done in Calgary.

It is a private sector responsibility. The private sector designs it. The private sector engineers it. The private sector finances it. It is constructed by the private sector. It is operated by the private sector for 35 years, after which time it will revert to the government. It is all private sector.

In these specific issues the private sector assumes all the risk and the government subsidy or the $42 million is what we would pay annually anyway over a prorated 35 years. It is environmentally sound. It met the ice review committee recommendations. There will be less than two ice-outs a year. It will bring a lot of regional benefits to P.E.I., to New Brunswick and to the Nova Scotia area.

Built into the costs will be the toll rates. We will utilize the costs of the fixed link when it is completed. The toll rate will be based on the ferry crossing, increased with a CPI or an inflationary indexation period. That is all laid down specifically in the contracts.

• (1610)

Strait Crossing Inc., the company from Calgary, has also built in costs with regard to constant maintenance and constant upkeep so that we do not run into difficulties 10, 20, 30 or 40 years down the road, which certainly could happen. However these are the built-in costs that will be paid by the toll rates that will be instituted when the bridge is completed.

Also a performance bond has been posted by Strait Crossing Inc. and there is insurance with regard to the fisheries. It was quite interesting to hear some of my colleagues on the other side of the House worry about any negative effect it could have on the fishing industry, which of course as we all know is a major industry for P.E.I., as well as for other areas.

If we take a look at the offshore rigs down on the gulf coast or where there has been offshore activity with different types of industry, it is surprising to see how the fishing industries have not really been hurt in any way. It has been very positive with regard to the habitat and the increase in availability of the product. There is not any factual evidence showing that there will be hurt or damage done to that particular industry, but there has been a bond posted in case of a problem.

I have to say with regard to selecting the company in Calgary that this gives benefits right across the country. There will be designers and engineers in Calgary who would be working on this issue. There is a range of products and services.

There is the supplying of the cement which will probably come mainly from the Atlantic provinces and the aggregates of steel. There is the selling and leasing of the heavy equipment. There is the construction of

roads and the facilities for the on and off ramps. There is a whole variety of other services that will come out of P.E.I. or New Brunswick. Some of these smaller local businesses in existence in Atlantic Canada will forge ahead. The response we have had from industries in P.E.I., which will be producing most of the work has been extremely positive.

One of the key requirements for the project is that the developer maximize the use of Atlantic Canada. Why not? This should benefit those people. SCI is currently preparing an industrial benefits plan which is to be submitted to the government. I know my colleague in the NDP will be interested that SCI is currently producing an industrial benefits plan that has to be submitted to the government, and indeed the Minister of Public Works, and has to meet certain criteria that have been set down before the federal government will give its final approval to sign the contract and move ahead.

There are jobs for P.E.I. There are benefits for P.E.I., New Brunswick, Nova Scotia, as well as the western provinces. This is part of building Canada. This is when the east helps the west or vice versa. This is part of how our country was built in the very beginning. Those who have a bit more than the others share. This represents not only an economic move forward for P.E.I., but it shows what Canadians can do right across the country.

Turning to the operating period, once the fixed link is up and operating what are the tolls? The tolls will be based on the cost of the ferry crossings, as I said, increased with the CPI or the inflation rate. There will be an agreed upon amount of capital for the repairs and maintenance of the plan. That is to be independently reviewed outside government to make sure that it meets the criteria set down. There is to be no payment made to the developer until all the criteria are outlined and have been proven.

What is most interesting is to see colleagues, one might say from both sides of the House, who appear to agree on something that is so necessary to move P.E.I. into the 21st century. It also brings P.E.I. up to some of the increased trading arrangements.

When I look to the agriculture area, as well as the fishing area and tourism, I think that P.E.I. certainly deserves all this. Indeed, we will be watching very carefully as we go through the years waiting for the bridge to be opened.

As a member of the House on the government side from the province of Alberta I truly support this bill. It brings Canadians together. It moves us forward. We are not going to sit and keep looking at the past. This is where everybody can work together to make this country work.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I have received some criticism from people in Prince Edward Island who do not take kindly to a member from British Columbia "interfering with their business".

I take exception to that analysis of this. I am an islander. I see this as a union of islanders. The fishermen and the ferry workers on Prince Edward Island, the friends of the island, consider that I am speaking out for them. It is certainly not their Liberal representatives who are speaking out for them.

I also think it is my duty as a member of Parliament. When $42 million a year is going to be expended on a project, I am not interfering. I am doing my job in criticizing that project. I am also doing my job when the environmental assessment integrity process is so sullied by this government in putting forth this idea. That is doing my job as a member of Parliament.

What we have seen is that the Liberals and the government are prepared to put forward a bill which they think will guarantee their votes in the maritimes. As a member from British Columbia, a member from an island, I have a duty to respond and a duty to speak out against this project.

Mrs. Sparrow: Mr. Speaker, like each and every one of us the hon. member was elected by the constituents in her riding. She certainly has the right to speak of their views and their wishes within this particular House. I would hope that while she does that she takes the views of all of Canada because when we come here as elected members we are representing Canada as a whole.

While it is very important to know the views and concerns of her local constituents and make sure that they are heard, a lot of the decisions we make here have to reflect all of Canada. Some parts of Canada are more blessed with certain resources than other areas. Since the beginning, long before 1867, it has been part of the Canadian way to help each other.

I have no problem with the member expressing the views and concerns of her people. However, I also hope the member realizes she is here representing not only her constituents from the island of Vancouver but she is also here making decisions for all of Canada.

It is very important that the hon. member look at the people of P.E.I. as well as the people of New Brunswick. Allow them the infrastructure for them to get ahead and promote their industry, be it fisheries, tourism, forestry, potatoes or agriculture.

I think it is incumbent upon the hon. member to speak for all of Canada as well as her own specific constituents.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I have listened with a great deal of interest to the speech of my friend. Not too long ago in this House we listened to the hon. member for Esquimalt—Juan de Fuca. I for one would love to be his speech-writer because he only said three things. It would not take me too long to write that.

One of the things he said was that the rest of the members who are in favour of this particular piece of legislation obviously are stupid. We are not intelligent enough to be able to see the writing on the wall. He also said that we must be trying to buy votes.

• (1620)

The only piece of information he gave us throughout the whole speech, which I found quite interesting, is that at present it costs roughly $21 million to transport people back and forth between the island and the mainland and it would cost roughly $42 million a year throughout the whole cost of the project and the continuous time it would take to pay it off.

What he failed to mention should be brought forward in the House. I would like to ask the hon. member if she could elaborate on this. What are some of the other economic development spin-offs created by these kinds of projects, which when added is a cost factor in itself, would help the islanders with better access to the mainland and entice businesses to want to move to the island because of the guaranteed access?

It is important for us to put some of those different issues on the record. Therefore, we do not give the impression the only thing we are doing is being stupid and buying votes but that we do have some understanding of the economics of this issue.

Mrs. Sparrow: Mr. Speaker, I appreciate the question and the comments from my colleague.

With regard to the $42 million a year in subsidy for the 35 years, that includes both the operating and capital expenditures.

The previous member of the New Democratic Party from Esquimalt kept harping on $21 million, $22 million plus a giveaway of another $21 million of taxpayers' money. This is not true. When operating ferries there are operating costs and capital costs. There is repair and maintenance every year and every once in a while a ferry has to be replaced. So what is built into the 35 years on the $42 million subsidy each year is capital costs as well as the operating cost. It is very fair and legitimate.

Second, it was said the project did not meet the EARP, the Environmental Assessment Review Panel. It did. There were certain ice-out conditions that the EARP panel brought forward. These were reviewed and certain criteria were set down by the special ice committee that was formed. The winning contractor has indeed met the specific criteria.

The infrastructure for P.E.I. is extremely important. It is for every city and every province, but specifically in the Atlantic and in P.E.I. We deal mainly with the agriculture and fisheries industries of which time and weather plays a main role. In order to get the product to market fresh and quickly obviously a fixed link, which is 100 per cent reliable, is the best way to go.

I believe tourism is the second major industry for the province of Prince Edward Island. People can come and go at their own time. They can cross over or cross back when they want to. It makes it a lot easier.

With regard to improving the infrastructure and the highway systems on both sides, be it in New Brunswick or in P.E.I., this has been taken into consideration. In fact it met one of the 10 proposals the former premier of P.E.I. set down before he would sign the particular proposal.

Sure we are building infrastructure. We are taking it into the next century. It is going to make P.E.I., New Brunswick and Nova Scotia, and indeed Newfoundland, more competitive. Is that not what this country is all about?

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, the hon. member talked about the support among the fishing community for the fixed link. However, she will know that on February 6 at its annual general meeting the P.E.I. Fishermen's Association voted unanimously against the link. In fact it argued that a full environmental review should take place to assess the environmental consequences of the fixed link.

I wonder whether as a result of the unanimous opposition by P.E.I. fishermen the member would care to rethink her indications that there is so much support across Prince Edward Island for this link.

Mrs. Sparrow: Mr. Speaker, the fishing industry certainly has been taken into very serious consideration because it is a major industry for the island. We recognize that.

Looking at other places throughout the globe where there has been activity, be it construction or engineering, in the areas where there is a very prolific fishing industry indeed it can be seen that it can be more of a benefit than a negative.

Also built into the trust fund by Strait Crossing Inc. is a $10 million fund specifically for the fishing industry. It is not that we are taking this lightly. We are taking it extremely seriously. None of these things have been overlooked. Therefore rest assured that fishing is a major industry and has been taken into consideration.

Mr. Lewis: Mr. Speaker, I rise on a point of order.

Pursuant to Standing Order 83(2), I would like you to designate an Order of the Day to consider the notice of Ways and Means motion tabled earlier today.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I am glad to participate in this debate today.

Unfortunately earlier we got into sort of a regional debate between east and west. Having practised law in the west and having children in the west and being a member from the east, I bring a very real Canadian perspective to this.

I am from the east. I am a maritimer, an Atlantic Canadian and a member from Nova Scotia. I want to declare my bias right at the start that philosophically I am against a fixed link to P.E.I. That is my philosophy. Knowing a little about Atlantic Canada and P.E.I. I fundamentally believe that a fixed link will change the character of the island. Those who think this is going to be such a boon to the island are very misguided.

The boom—and there is going to be a boon and a boom—is that obviously jobs are going to occur on the mainland. Amherst, Moncton, the mainland area is going to perhaps develop beyond the construction jobs. That is where some of the suboffices are going to be. You will be able to scoot on to the island over the bridge. You will be able to drive on and off all within a day.

This could be such a fundamental shift in the whole social order of the island that the fabled Anne of Green Gables is going to become the witch of Cavendish. She very well could because of the change that will occur.

I have declared my bias. What a lot of people are missing, sincerely, I believe—we always sincerely debate in this Chamber even though we sometimes get a little political. What a lot of people are missing is that the environmental panel created by the federal government legislation assessed all the impacts, both plus and minus.

The plebiscite on the island was not for the bridge that this bill is for. It was for the vague term fixed link. It could be a bridge or it could be a tunnel. The environmental study finally was concluded and was referred to before. It was the Northumberland Strait Crossing Project report of the environment assessment panel dated August 1990.

It reviewed all the pluses and minuses and then came out and said: "The panel agrees that there is a need for an improved transportation service between Prince Edward Island and New Brunswick. After careful consideration, however, the panel concludes that the risk of harmful effects of the proposed bridge concept is unacceptable. The panel recommends therefore that the project not proceed".

This is the latest in the federal environmental panel. Subsequent to that there was a subsidiary ice panel that is not under the federal act which did the total survey.

The federal environmental panel itself says that improved access is needed. I am all for improved access to P.E.I. However the bridge was not approved.

• (1630)

In the summary it says: "The panel concludes that subject to a favourable independent environmental review a tunnel concept might be an acceptable transportation link between Prince Edward Island and New Brunswick. The panel further concludes that an improved ferry service might also be acceptable".

A bridge is not the only alternative to improve access to the island to maintain the constitutional necessity of a link to Canada. This is what is being lost in this drive to start this project.

Mr. Speaker, you are too young in the chair, and some of the members of the House are too young in the chair to remember but the concept of a fixed link with the island in the east is as old as the Chignecto canal. It is as old as linking the Fundy tides that could provide renewable power in an awesome way.

We have been through all that. I think the former member for Moncton and the mother of the present member for Moncton has a golden shovel in her basement for digging some of the foundation for the causeway back in 1966. We can actually still see some of the roadwork and/or the mudwork of what was going to be a causeway.

My point in saying no to this bill is that even though it takes time the study should be complete. I know there have been hundreds of studies but not in this modern age of technology. In effect the federal government's own environmental panel said no to the bridge and said it is for some of the alternatives. My philosophical bias is against a link. I am not an islander but I love the island. I think an awful lot of people come to that island because it is the way it is. A fixed link, especially the bridge, is fundamentally going to change it.

I have tried to be easy on this because obviously as an Atlantic Canadian, as a maritimer, I want to see jobs in an area that is in dire straits in so many ways. Obviously anything that can help in the construction itself is going to be a pump-primer. It may be for political purposes, and that is not unreal and certainly a surprise. Perhaps that is the reason we are trying to move the thing along.

I really tried to be as rational as I could. I tried to give the benefit of the doubt, to take care of my bias, and determine if the project, the fixed link and/or the bridge, will be financially and economically feasible.

This is the other general objection. I admit my bias but I am trying to resolve my bias. What I fundamentally criticize the present government for is not coming clean. My objection to this bill would not be so fundamental and I might even go along with it to get it into committee if the government came clean and did not pretend it was going to cost only $800 million when we all know it is going to cost much more.

I only have to look at the most meaningful study that was commissioned on the fixed link and the bridge by Woods Gordon in 1987. It estimated that the bridge would cost $1.3 billion, not the $800 million that the minister talked about when he introduced this bill on February 8. If that was the estimate in 1987 just imagine what the estimate is today. If members who vote for this bill are honest with their taxpayer constituents—this place is in such disrepute because we try to play with figures and smoke and mirrors. How can anyone say the bridge will only cost $800 million? That is the figure I looked up while I was waiting to be recognized by Your Honour. On February 8 the minister said $800 million and that is in the press release.

The parliamentary secretary today said $850 million. What is $800 million or $850 million? That is a long way, millions, hundreds of millions, from the $1.3 billion estimate in 1987.

Members in favour of this bill should admit that it is not going to be $800 million; it is going to be $1.5 billion. It was $1.3 billion in 1987. Let us use our common sense. Let us look at another crossing linking mainland with an island, the chunnel in Europe from France to England.

Is it not interesting that in 1987 the estimate for the chunnel, that is the tunnel, was $9 billion? Yet, in actual fact today the cost is already $16 billion. That is private enterprise. It is not supposed to involve taxpayers' money. They are having some real difficulties because of contractor fights, and I do not have time to get into that.

The point is that a $9 billion estimate in 1987 has become a $16 billion cost today with overruns along the way. Who believes that the $1.3 billion estimate of

Woods Gordon in 1987 will not grow in like fashion to not the $1.3 billion suggested in 1987 but closer to $2 billion if this thing ever goes ahead?

The other area in which there is a lot of misinformation is—and the hon. member for Calgary Southwest touched on it. The member for Esquimalt–Juan de Fuca made one of his typical and very bombastic contributions to this debate. It certainly was very interesting but I do not know how much light it shed. We can play with the figure of a $42 million subsidy a year for 35 years and say that is balanced against a $21 million subsidy that is actually paid to the ferries, and some years it is $21 million. However, the evidence really is that Marine Atlantic estimates that, using capital and operating costs that the member for Calgary Southwest mentioned, the figure for subsidy amortized over the 35–year period is $29.5 million. In other words, it is $30 million.

Let us assume that its figures are correct. We should not use the $21 million that is sometimes the subsidy in some years. Marine Atlantic has been great, the subsidy has been coming down and $21 million to $22 million has been the figure for the last few years. Using operating and capital costs and Marine Atlantic's own figures we get up to $29.5 million, or let us call it $30 million. Even $30 million is still $12 million less than the $42 million figure. There is an extra payment to help private enterprise of over $400 million.

There must be some frankness and openness here. Let the members who support this bill admit that the estimate is woefully low, that in 1987 figures it was $1.3 billion and it is going to be even more six years later. Let them admit that there is taxpayer money in this, that it is $42 million for 35 years, of which at least $12 million is extra and above whatever the subsidy is, so there is going to be a cost.

What happens at the end? After 35 years, after it has been built and run by the consortium, it is then given back to the Canadian taxpayer. I am not an engineer. However I certainly know about Lions Gate Bridge in Vancouver, British Columbia. Other colleagues have perhaps other ideas and knowledge about other bridges. A bridge over salt water, not to mention the salt that drips off the vehicles that are going to drive across it, has horrendous maintenance problems. While the life of the form of the bridge may be 100 years in Parliaments ahead when we are long gone the maintenance costs on an annual basis will be very close to the subsidy that is presently being given to the ferry.

That is something that should be considered as members consider this bill.

This bridge is almost like a Trojan Horse. There are a lot of nice things about it. It is going to create jobs. It is going to speed up some traffic. Let us take it in like the people of Troy did before their city crumbled. This is not a Trojan Horse but it is going to be a Trojan bridge. There are a lot of deceptive things that come with this bridge that will not do all the good things that many of the speakers here in this House, in their honest belief, have said it will.

• (1640)

Something that I am very concerned with, and that no one has touched on concerning this link to expedite traffic back and forth, is how the bridge is going to operate. It is very interesting that in all the studies done on the subject only part deals with how this bridge is going to operate.

The Department of Public Works has a document entitled *Investigation Into the Effect of Wind on Vehicular Traffic*. There are some pretty sobering statistics in it as to how fast people are going to go across that bridge in view of the wind on the Strait, compared to even waiting for the ferries.

The Public Works document points out that due to the height of the bridge—63 metres or around 200 feet at its highest point—and the fact that it is over a large body of water where strong winds prevail much of the time: "At 50 metres winds of 40 kilometres will occur 84 per cent of the time; winds between 40 and 50 kilometres will force traffic to slow down to 40 kilometres, extending crossing time from 13 to 22 minutes. As winds increase from 50 to 70 kilometres more drastic measures are required, including conveying empty trucks at low speed thus slowing all traffic. Winds over 50 kilometres exist over 40 per cent of the time. Winds of 70 to 100 kilometres will see traffic slow to 30 kilometres, and empty trucks will not be permitted to cross until the winds die down. Winds over 100 kilometres will see all cars conveyed at 20 kilometres, taking 39 minutes, or conversely the bridge could be shut down".

The time that has been mentioned in this debate so far about the expeditious crossing because of a bridge, 13 minutes, is only for ideal conditions. When the winds get over 50 kilometres, which is over half the time, then traffic starts to build up behind as cars funnel onto the

bridge. It is not going to be quite the whizzing over and getting off, even though it is obviously a little more permanent than a ferry boat.

I believe the member for Egmont would know, but I think the ferry was only really closed down—I admit it has been delayed—about five days a year on average. I do not know if it is even five days but that is roughly the figure. Obviously people do have to wait in the summertime. The member for Esquimalt—Juan de Fuca pointed out that people also have to wait for ferries in British Columbia to get to Vancouver Island; two or three sailings sometimes.

In any event, that is where the notion of the Trojan Horse comes into the picture. After all the debate up and down, and it is a mammoth structure, no one really knows just how much that wind over the ice pack and the Strait is going to slow down traffic.

I have tried to be reasonable and get other justifications for it. In my own hometown there is a professor of economics who is an expert on large megaprojects. He has done a study on the bridge and did a study of the Public Works study which was the justification for proceeding with the bridge. That was the Fiander-Good study of 1987.

Professor Townley, at Acadia, questions the very fundamentals of the economics of the bridge. He argues that one of the main economic feasibility studies done for Public Works by Fiander-Good in 1987 was seriously flawed. He says, among other things, that: "The economic feasibility of the fixed link has not been established". Further he says that: "Construction of a fixed link would impose a net loss on society. From this perspective a debate concerning the magnitude of any ensuing environmental damage would seem moot. Any damage at all would simply magnify this social loss". That is what Professor Townley says on page 18 of his article called "The Weakest Link" in *Policy Options* of July-August 1992.

Let me mention that because of Professor Townley's article there was another economic study commissioned to look into the economic feasibility of the bridge. Just recently another group has come out supporting his conclusions. I believe as a mainlander that the social order of P.E.I. will be fundamentally changed in a negative way, when it is all shaken out, which very well may have some negative impacts on the tourism industry that attracts people there by the droves in the summertime. Anne of Green Gables is going to become the witch of Cavendish if we do not watch out. We cannot really fully assess that. Then we look at some of the outside facts—starting with the environmental panel study that is fundamental if we believe in our own laws. You do that and it says not to go ahead. It says canvass some other alternatives and they have not been canvassed. Then you look at the fake figure of $800 million being used by the minister. Yet in 1987, six years ago, the figure was $1.3 billion. Compare that to what happened to the chunnel in 1987. It went from $9 billion to $16 billion. You are going to have the same ratio of increase. Then there is this figure you really can play with, the $42 million per year of subsidy.

In conclusion, because I know my time is just about up, on the $42 million I said you could be very reasonable. You cannot deny that $29.5 million or $30 million is the amortized subsidy. Therefore it is a $12 million difference. Politically and not getting into the buying of votes, what concerns me seriously as an Atlantic Canadian along with other Canadians, be they from British Columbia or elsewhere across the country who have been kind and good to Atlantic Canada, an area of regional and economic disparity, if I were just an ordinary taxpayer tuning on the television national news or prime time or whatever it is called now and saw that at this time of financial restraint when we are all supposed to be tightening our belts that the Government of Canada was proceeding with a fixed link that has been talked about since Confederation and proceeding against some of these reports, I as a taxpayer would have difficulty believing other things the government has said. To me in terms of Atlantic Canada which needs Canadian help it is something we should consider before we go any further with this.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the fixed link crossing to P.E.I. is something we have talked about over the past number of years. In fact, when we look at the province of Prince Edward Island and how it came into Confederation, it was predicated on that promise of assured linkage. We have gone from the steamers that originally crossed between P.E.I. and the mainland, the province of New Brunswick, and now we have resurrected the question of a fixed link. As I have

alluded to, it is not the first time we have discussed this in the House. It had been discussed long before I arrived.

Hopefully we have come up with a plan that will work and one that I think most of us can accept once we have a chance to go through the numbers and find out what we presently have, what we are going to propose and whether or not it is a real alternative.

I will start by mentioning that in my riding of Carleton—Charlotte, there are three islands in the Bay of Fundy. As any member who has islands in their riding knows, it is quite difficult most of the time to visit them as frequently as you would like. Of those three islands I have Campobello Island, Deer Island and Grand Manan Island. One of those does have a fixed link now. Campobello Island is linked actually to mainland United States. Indeed, if you are a Canadian travelling to Campobello and you want to get there by automobile you have to travel through the continental United States to get there.

I can remember when that bridge was being built. It was something like the debate we are carrying on here today in the House of Commons. There are some interesting parallels between the debate to build a bridge to Campobello Island 30 years ago and the debate we are having here today. At that time there was mixed opinion as to whether there should be a bridge to Campobello Island. Of course, some of the arguments and some of the things we are hearing here today were suggested back then, such as the impact it would have on the fisheries and whether we could engineer a bridge to Campobello Island. But it was built. As I said, there was controversy at the time as to whether or not the people would accept it.

• (1650)

At the time, going back 30 years, I was just a very young boy, but I can remember there were some pretty strong arguments against it. At the end of the day, obviously the strong arguments for it won out.

It is interesting to note that the member of Parliament at the time who supported the construction of the bridge was defeated in the next election. Maybe the opposition members will take some comfort in that. It was a very emotional project at the time. If you visit the island of Campobello today, you will find that the people of that island support it to the tune of 95 to 100 per cent. It has been good and necessary for the island.

When we look at P.E.I., they are going through somewhat the same debate today. One of the things that was done in P.E.I. was to seek support from native islanders as to whether it was something they desired. Most of us accept the level of support given on the island for a fixed link. If my memory serves me correctly, 60 per cent of the islanders are in favour of a fixed link.

The argument in regard to cost is interesting. I believe that some members in the House are not putting forward an intellectually honest argument in the sense that there will be a burden of cost on the federal government if we proceed with the project. That has to be cleared up because indeed there is a cost to the Government of Canada today. When I talk about the Government of Canada , of course I am talking about the taxpayers. As we know, these are the people who really pay the bills.

Today there is a cost of maintaining that linkage to the mainland with the ferries. That amounts to about $27.5 million per year every year. That is the annual subsidy to maintain that link today but it is not the total cost. The total cost has to consider such things as the replacement ferries. As we all know in this House, any time you are operating a boat or a ferry, at some point you have to replace it.

We are told that the replacement cost on those ferries, and the member next to me can clarify this because I know that he has done some research on that, is in the order of $50 million in the next number of years.

Mr. Casey: $500 million.

Mr. Thompson: Five hundred million dollars. It is $50 million per vessel.

Mr. Casey: For half a vessel.

Mr. Thompson: For half a vessel. So he is saying $100 million per vessel.

This means a $500 million replacement cost, half a billion dollars. There is indeed an added expense at the end of the day when the present vessels get to the end of their life span. They are very close to that now.

There is one point I wish to pick up on, and I know that the minister of fisheries mentioned this in relation to some questions from the other side of the House coming from the member from British Columbia.

This is a project that normally the opposition would be screaming for. How many times in this House have we heard the opposition talking about putting money into infrastructure? How many times? We have heard it many times in this House, talk about kick-starting the economy. Let us get some public works projects off the ground and let us get this economy moving, particularly in Atlantic Canada.

That is exactly what this project is doing. If you wish, it is going to be a kick-start. I hate to use that word kick-start because it sounds as if you are just hooking jumper cables up to the economy and off it goes, as we often have to do with our automobiles here in the heart of winter. It is not quite that easy. Nonetheless, this project will be somewhere in the vicinity of $800 million. That is not an insignificant amount of money but it is going to be money that is raised through the private sector and put to work. It is not as if the Government of Canada is going to write a cheque for that $800 million. That is coming from the private sector, so it will be a project that will sustain itself.

The annual cost to the Government of Canada will not exceed the cost that we presently have today, $27.5 million, because there will be upkeep costs and other assorted costs in maintaining a structure of that kind.

I cannot understand the opposition members' argument or opposition to this project because they want megaprojects, they want money injected into local economies and particularly the poorer parts of Canada. This is a big project. It is one I do not think they should fly in the face of.

Again it is moneys being put up by the private sector, not the Government of Canada. It is important to lay that out very squarely. Our costs will not exceed the fixed costs that we presently have to maintain the ferry service.

The other argument I think is a very unfair one. As I mentioned before, the fisheries minister did speak on this and took up the clinical argument that this was a political project with a political agenda behind it, the re-election of Conservative members of Parliament.

We do not have any members of Parliament sitting on this side of the House from Prince Edward Island. I wish we did. There are some members from the other side that I see here today from the Liberal Party who represent that island. There are four seats on P.E.I., none of which government members hold. There is one vacancy there and maybe we will have a shot at it but we are not doing it for that reason.

An hon. member: You do not have a chance.

Mr. Thompson: The member across is suggesting we do not have a chance at it. Maybe he is right, but time will tell. It is like a baseball game. You really cannot tell until it is over. Yogi Berra told us: "It's not over till its over".

That political argument is very shallow. I see the member over there nodding his head. He agrees it is a very shallow argument. We are doing the project and putting it together because it is the right thing to do for P.E.I. and it is the right thing to do for Atlantic Canada. We as New Brunswickers have a very keen interest in this project and want it to go ahead.

I want to step through about 10 points and these are key points that the P.E.I. government agreed to. It wanted it settled and agreement on it before it would agree to go ahead. I will go through those 10 points. I think I do have time.

An hon. member: The Ten Commandments.

Mr. Thompson: The member from Nova Scotia is suggesting the Ten Commandments. The P.E.I. government was pretty rigid in these and we did give the government and the people of P.E.I. reassurance on each and every one of these.

One, an assurance that the P.E.I. highway system would have the capacity to handle the extra traffic that will be generated, and indeed there will be extra traffic generated. It should be a big boon for the island economy.

Two, an assurance that the Wood Island ferry service would be maintained. That has been given.

Three, the right to consult with the federal government on the establishment of tolls. That has been agreed to.

Four, fair treatment of displaced ferry workers—very important—including job training, relocation assistance and early retirement benefits because many of those workers are concerned and legitimately so, especially in

an economy where there are not a lot of options. That is something we have considered. It is nice to see that assurance has been given.

Five, the federal agreement to study further development opportunities for the Borden area to offset any negative effects of the project because their economy is based on that ferry run, or a degree of their economy.

• (1700)

Six, the assurance that the economic benefits to Atlantic Canada during the construction phase would be maximized. We all want to see that.

Seven, assurance that the project would meet the strict environmental criteria under the federal environmental assessment and review process. We are working in that regard.

Eight, compensation for fishermen whose livelihood may be adversely affected. That assurance has been given.

Nine, assurance that the fixed link will include a utility corridor at a reasonable cost to the province.

Ten, the Government of Prince Edward Island wished to ensure that the interests of its people were taken into full account before it would agree to proceed. It did agree to proceed in December. In December 1992 the province was satisfied that the conditions it had stipulated—those that I just outlined—had been met. As far as I am concerned they have been met and it will be a green light for this fixed project.

In conclusion, all I can say is that if they are going argue, and I do not think they are arguing too strenuously on the other side of the House, particularly those from Atlantic Canada, please argue on the basis of the project. Let us not float around some of these phoney numbers in regard to the cost to the federal government because there is no cost over and above the costs of maintaining those very ferries today.

I am proud to support this project. We would all like to see that it goes ahead.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the member indicated he supports this bill. I wonder whether he has consulted with the Micmac people in New Brunswick as to their position on the fixed link because I understand from my sources that they are not in favour of it.

I would also like to ask him if he is aware that the environmental assessment of the generic project recommended that the project not proceed. If he believes in the laws of Canada why does he now think that it is all right for the government to proceed?

Mr. Thompson: Mr. Speaker, I have not had any correspondence with the Micmac people regarding this project. If the member does have correspondence and concerns raised by that particular group, if I could have a look at it I could understand the basis of her argument. However, I have not had any correspondence in that regard.

Concerning the environmental aspects, there is some misinformation with regard to the ice-out factor in the construction or the use of that facility. I think that has been clarified by the federal government and environmental experts who have looked at the project.

The record clearly indicates those considerations have been looked at. I do not believe it creates a problem that would jeopardize the structure at all. In fact the life of this structure—it is important that we put this on the record—as engineered is 100 years. It is important to state that because obviously it is a cost factor to be considered, the replacement of an existing bridge. Therefore, a 100-year life span is something that we can all take some comfort in, knowing it is not an expense which we will have to look at down the road in 25 or 30 years as some are suggesting.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I wish to participate in this debate as a Canadian who supports efforts to ensure that weaker regions of the country have investment in their infrastructure and investment in their economies.

I also speak as a Canadian who spent 12 years living and working in the maritimes, and feel some appreciation of the particular problems of that region. I was in Prince Edward Island last week and among other things heard from ordinary citizens in Prince Edward Island of their opposition to the fixed link.

I am pleased to support the suggestion of my colleague, the member for Skeena, that rather than go ahead because of the ineffectual and faulty environmental assessment which has taken place, we refer this

matter to the Standing Committee on Environment so we can fully investigate the environmental implications of the link.

At least a couple of hoaxes are being perpetrated on some Canadians and on the people of Prince Edward Island. I will go into them in more detail afterwards but first of all, the government has said an effective environmental assessment review process has taken place when in fact that is not the case. To the extent that a environmental review by independent assessors has taken place the link has been shown to fall short of an appropriate environmental response.

Second, the hoax of the economics of the issue is being portrayed as advantageous and economically a good deal for Canada, a good deal for Prince Edward Island. The fixed link falls short on this basis too as I will relate.

The fixed link is being portrayed as being something that Prince Edward Islanders want. If we look at the question that was asked Prince Edward Islanders regarding the transportation issue between the island and the mainland, we will see that it is by no means clear that this fixed link is what Islanders chose.

We have, as we so often do, a situation where the Liberal members of Parliament, in this case from Prince Edward Island and from elsewhere, support a project proposed by the Conservative government. Both Liberals and Conservatives, two peas in a pod, are arguing the same points, ignoring the environmental implications of such an important project and the economic implications of such an important project. They are ignoring warnings from their own people in Prince Edward Island about the effects of the link.

My New Democratic Party colleagues and those whom I spoke with in Prince Edward Island last week are opposed to this plan for a fixed link because we are just talking here about a bridge. We are opposed because an appropriate environmental assessment review process was never carried out. We are opposed because the company which has the most interest in ensuring that this goes ahead, SCI, has really had phoney information sessions across the province to come up with the answers that it wanted in support of the link.

I want to speak a little about the issue itself, about the problems of the ferry service. Seven hundred ferry jobs are at stake. If we take the ferry away and if we add others affected, perhaps 1,200 people will lose their jobs as a result of this project.

While there may be 1,000 or so jobs involved in building the fixed link, there will only be jobs while the link is being built. They will not be long-term jobs.

Many have asked questions about a better ferry service, an improved ferry service, rather than a fixed link. Across the world there are hydrofoils, hovercraft, as well as conventional ferries making fast, comfortable journeys for commercial and recreational purposes, making journeys further than those which are involved in Prince Edward Island. Somehow they get by without wasting billions of dollars on a bridge.

It is well recognized that the purchase of two additional ships would deal with the present problems of delays by those attempting to use the ferry service. Two new ferries would cost infinitely less, I think around $4 million, and would provide a service without the waiting for those going to and from the island. That is a far better investment than the over $1.5 billion which is being suggested for this link.

• (1710)

If we were really serious about dealing with the transportation issue on Prince Edward Island, we could solve it by providing a couple of extra ferries. We could save those 1,200 jobs and provide a service which would be satisfactory to those on the island.

I would like to go on to talk about the environmental impact. Clearly we would see increased environmental impact in a number of ways. If all those cars drove across on the fixed link, the environmental impact would be far greater than the impact of the ferries crossing over. That alone should be reason for concern.

The studies which have been done concerning the environment have given rise to serious concerns which have never been answered by the federal government except to the extent that the federal government has ignored them and set them aside. Never at any time did it provide extra information, facts or back-up for the arguments and the concerns raised by the environmental assessment which has taken place.

There are problems with ice being trapped and there are problems with the fishery. They cannot be ignored. It is not clear at all from the research which has been done

that the ice problems can be solved and that they will not give rise to serious environmental damage.

The studies point to serious problems. The only response the federal government could make to the federal environmental assessment panel which recommended against building the bridge was to conclude that these ice problems were manageable. There was not any effective justification for that conclusion.

We should be concerned when the fishermen of Prince Edward Island unanimously oppose the fixed link on the grounds that it will harm their fishery. We heard a great deal today how this fixed link will not harm the fishery. Why then would representatives of the 773 island fishermen resolve at their annual meeting on February 6 to oppose the construction of the bridge until effective environmental assessment has been conducted and the true impact of the bridge could be assessed.

Surely we cannot ignore the views of those who work and live off the fishery in the vicinity of where the link will be built. Why would we want to do that? Why would we want to fly in the face of their advice with regard to the potential problems to the fishery?

In 1990 there was an Environmental Assessment Review Panel. It was the federal government's own panel. It rejected a fixed link for a number of reasons, such as the marine ecosystems and agricultural micro-climates arising from the potential for delayed spring ice melting. There is the risk of damage to spawning grounds. We have limited knowledge of the Northumberland Strait ecosystem which makes it difficult to predict the environmental impact of such a link.

The review panel opposed the construction of a link because it was regarded as being incompatible with sustainable development and because inadequate consideration was given to the cumulative impact of building such a link.

The panel also opposed the link because of the difficulties in finding socially acceptable work solutions for displaced ferry workers and fishermen and because of inadequate consideration of the environmental and ecological impact on Prince Edward Island as a result of increased patterns of tourist growth. There were also problems concerning land use issues in Prince Edward Island.

In its conclusion, the panel said there is a need for an improved transportation system between Prince Edward Island and New Brunswick, something we all accept. However, after careful consideration the panel concluded that the risk of harmful effects of the proposed bridge concept is unacceptable.

The panel therefore recommended that the project not proceed. Instead of taking notice of that review panel, the federal government basically ignored it, issued a report of its own and said the review panel's concerns about the construction and operation of the bridge were either mistaken, misguided or easily dealt with.

It is a hoax to say we have had effective environmental assessment of the fixed link. It appears to be the case that both the provincial Liberal government and the federal Conservative government are prepared to turn a blind eye to any harmful environmental impacts.

I think it is clear that there are enormous gaps in information, data and understanding of how this region works. It would be totally unacceptable to move ahead without a more effective environmental review of the situation. On the basis of environmental concerns, the fixed link just does not stand up. Prince Edward Islanders deserve better from their provincial Liberal government and their federal Conservative government as well as their Liberal MPs who do not seem to be speaking for ordinary Prince Edward Islanders but for the business community and are not at all interested in the true impacts on Prince Edward Island life and the sea around the link.

I would just like to close by making a few comments about the economics of this fixed link. At the moment Marine Atlantic, which is responsible for the ferry services, is one of the island's largest employers with a wage bill of almost $17 million. Over the 35 years, the time for which the federal government would replace the cost of running the ferries with a subsidy to this private corporation which will be building and running the link, that would constitute some $588 billion lost to Prince Edward Island. That does not include any increases in workers' salaries and wages over that time.

Prince County in Prince Edward Island experiences the highest level of unemployment of all the counties on the island. The loss there as a result of building this link rather than continuing with an improved ferry service, which would be entirely feasible and economical, would be 422 jobs or some $430 million over that period of time.

The economic impact on the region most affected would be catastrophic to say the least.

If the ferry service was improved it would be an economically sustainable method of transportation. If we maintained and expanded it we could address the concerns of Prince Edward Islanders and those who wish to visit there for both commercial and tourist reasons.

A study conducted for the Department of Public Works also makes it clear that the economic viability of this project is a serious problem. In a report by Gardner Pinfold in 1992, the conclusion is made that if economic viability is an important criterion for proceeding with the project, it would be advisable to conduct a more rigorous analysis.

The conclusion of another report by Professor Townley of Acadia University mentioned by my colleague earlier states that the economic assessments which have been done do not establish the economic viability of a fixed crossing.

There are serious economic and environmental questions about the viability of this fixed link. When Prince Edward Islanders were asked whether or not they were in favour of a link between the mainland and Prince Edward Island they were not faced with the question of bridge only, they were faced with a choice between a bridge and a tunnel. They were also asked whether or not more research should be done on the project.

• (1720)

The response from Prince Edward Islanders is ambiguous with regard to their acceptability of the link. If any members care to visit Prince Edward Island they will find many islanders opposed to the link for the reasons I have mentioned, primarily environmental and because they fear that the island's way of life will be destroyed forever.

It is unfortunate that none of the Liberals MPs from Prince Edward Island will speak out on behalf of those who raised serious questions about the impact of this link.

This is an attempt to improve the economic situation of Prince Edward Island and it is to be supported. We cannot go around this country building megaprojects which harm the environment. We cannot continue to treat the environment as if it does not count or cost anything, as if the implications on it do not have a major impact on our future way of life.

We know that our environment is in serious danger, yet the government and the Liberal Party are prepared to go ahead with this link in spite of those environmental concerns.

It would be foolhardy and environmentally dangerous, and economically it does not make sense.

Mr. Joe McGuire (Egmont): Mr. Speaker, it is really puzzling to me why the NDP members are so opposed to development in Atlantic Canada and particularly in Prince Edward Island.

They drop in to my province for a few hours occasionally during the year and suddenly become experts on the province. They know very well that the labour unions in Prince Edward Island are in favour of the fixed link. I have letters in my office from the labour unions of Prince Edward Island supporting the link.

Officially the fishermen's associations would like to have an environmental assessment but many fishermen in Prince Edward Island support the fixed link. It is okay for the New Democratic Party to stand up and give all the reasons why we cannot have any development there. It is okay to support the St. Lawrence Seaway which ruined our ports in Atlantic Canada many years ago. We continue to support that seaway which goes to Thunder Bay and takes the prairie grain out to the Atlantic. It is okay to support weight subsidy for grain transport to British Columbia ports but it is not okay for Prince Edward Island to have a link to the mainland to facilitate the transport of its products to market.

I find it really incredulous that the NDP continues to harp and harp, in this manner, about a bridge across the Northumberland Strait. It is time to vote on this and take it to second reading so we can review what has been done. We can review the 92 environmental studies that have been done over the past seven years. We can review and question the economics of this proposal.

I am really tired of listening to this type of criticism from the New Democratic Party. We should vote on this and get it to second reading so we can bring in our expert witnesses from all sides. Then we can satisfy ourselves as

members of Parliament whether or not this is a feasible project.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, it is evident that the member has not been listening to much of what has been going on in the House today because it is clear that New Democrats are not opposed to economic development in any region of Canada. Indeed, we fully support efforts to improve the economic situation of Prince Edward Island.

It would be foolhardy to ignore the environmental implications because in the long term that will not benefit Prince Edward Island or Prince Edward Islanders.

It would be foolhardy to support the legislation to implement the fixed link in principle without fully considering its implications. You cannot go ahead and ignore the economic and environmental consequences of such a major project. It makes much more sense to make our assessments first before supporting the issue in principle.

I do not want to suggest to the Liberal members of Parliament from Prince Edward Island how to do their jobs, even though they do not like us to criticize the environmental and adverse economic implications of this link. Surely they should be a little more holistic and concerned about the total impact of something of this magnitude. They should be asking more effective questions about what the impact of this link would be.

The member mentioned the trade unions in Prince Edward Island. He will no doubt be aware of a recent letter written to the newspapers in Prince Edward Island from the president of the Prince Edward Island Federation of Labour where serious questions were raised about the economic and environmental implications of the link. His letter says: "I only hope that the Islanders promoting the bridge are right because a lot of people will be hurt and hurt severely if they are wrong". That hardly seems to constitute support for such a major project.

Let us just stop for a moment and consider the economic and environmental implications. Let us not just go full speed ahead without considering these implications.

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I very much appreciate the ability to enter the debate this afternoon. I think it is important for someone from the middle of Canada to take the time to express the relevance of this specific piece of legislation to the House.

I know that this government and this cabinet minister, the Minister of Public Works, are very concerned about public transportation issues. He went to great lengths to resolve a very significant transportation issue within my own constituency.

There is a certain amount of hypocrisy coming from the NDP. When we were trying to resolve this issue in my riding the members opposite criticized the government for not moving quickly enough to resolve a transportation issue. Today the members opposite are criticizing the government for possibly moving too fast.

I would like to move into a little more reserved and detailed presentation. I would like to thank those who took the time to help me do the research on this particular piece of my presentation because it is quite detailed and it is quite important that it be added to the debate.

I first want to address the history of our transportation links to Prince Edward Island and how this incredible project will benefit the people of the island and the Atlantic provinces.

Under the 1873 conditions of union with Prince Edward Island, the government committed to, and I quote: "maintain efficient steam service for the conveyance of mails and passengers".

Since the earliest days of Confederation the federal government has placed a high priority on meeting its commitment to the province to provide a transportation link to the island.

I would like to explain how we have met our commitment to the province to link the island with the rest of Canada over the years.

Prior to 1917 the routing of marine service for the carriage of passengers and freight to the island changed with the seasons. Ferry terminals were built at Borden and Cape Tormentime to coincide with the introduction of a new ice-breaking ferry, the SS *Prince Edward Island*. This ferry entered service in 1917 and provided the first capability to carry rail cars to the island.

In 1923 the Canadian National Railway began to operate this service. The SS *Charlottetown* was introduced in 1923 as a companion to the SS *Prince Edward Island*. However, in 1941 the SS *Charlottetown* ran aground and was a total loss.

The first diesel-powered vessel, the MV *Abegweit* was introduced to the service in 1947 and was capable of carrying both autos and rail cars. The MV *Confederation* was introduced to service in 1962 and later moved to the Wood Islands-Caribou route.

In 1968 the MV *John Hamilton Gray* was constructed for the service at a cost of $14 million at which time the SS *Prince Edward Island* was retired. The mainstays of the Prince Edward Island fleet, the MV *Holiday Island* and the MV *Vacationland*, have been serving the island since 1971. These vessels introduced navigational efficiencies to the service because they have a unique navigation propulsion system which has proven to be both efficient and effective. In 1982 the old MV *Abegweit* was replaced by a new MV *Abegweit*, a large modern ice-breaker. I understand it was a considerable expense to the government to build that particular ferry.

• (1730)

When Marine Atlantic was incorporated in the mid-1980s it was entrusted with the responsibility to operate and maintain the Borden-Cape Tormentine ferry service on behalf of the federal government. While it is financially dependent on the federal government, over recent years Marine Atlantic has made some improvements to the level of cost recovery for its ferry operations, to the extent possible, given the economic realities of Atlantic Canada. This has been achieved by reducing costs and increasing revenue levels wherever possible.

It must be kept in mind though that the cost of capital acquisitions for the ferry service is high. A recent estimate of the cost to replace one of the vessels in the Prince Edward Island fleet puts the capital costs of the vessel at $95 million. I think some of my colleagues have mentioned the high cost of investment earlier in the debate; in fact, there was one commentary where one of the most recent vessels added to the fleet cost in excess of $200 million. It is a very expensive venture.

The federal government has also provided financial assistance for the ferry service operating between Wood Islands, Prince Edward Island and Caribou, Nova Scotia. This has been operating since 1938. The operation of this service has been provided by the Northumberland Ferries Ltd. since 1941.

The House may recall that the government is investing over $60 million for the construction of a new ship for the Wood Islands run. This includes the construction of the terminals necessary and all the infrastructure to get this initiative up and running. This initiative has resulted in the creation of jobs in Pictou and Caribou, Nova Scotia and Wood Islands, Prince Edward Island, in addition to providing an important addition to the ferry transportation link between the island and Nova Scotia.

It is the view of the government that the transportation sector is part of the basic infrastructure of Canada. Transportation is essential to the daily economic and social life of this great nation by joining the many regions and moving goods and people from coast to coast. The construction of a bridge to span the nine miles from Borden, Prince Edward Island to Cape Tormentine on the mainland is one of the largest private sector engineering challenges ever to be undertaken in this country.

I come from Manitoba where hydroelectricity is a very significant part of our infrastructure and I know what the results are of these significant projects on the provincial economy. The fact that a new hydro development project in Manitoba is up and running has a significant impact on all the communities throughout Manitoba, and I would expect that this construction project will have a very significant impact on the economies of all the Atlantic provinces.

I am pleased to acknowledge the hard work of my colleague, the Minister of Public Works, in bringing this important project to its present stage. He has met the challenges of a complex public environmental review process and he has studied and complied with stringent environmental criteria related to the bridge design.

The unique approach to this project whereby the bridge will be financed, constructed, owned, operated and maintained by the private sector has been developed in an effort to minimize the cost to government. While the developer will assume all normal construction,

operation and maintenance risks, in return it will receive an annual government subsidy for a period of 35 years.

It is important to note that paying a subsidy for 35 years will result in a bridge that for the remaining 65 years of its expected design life will require no government subsidy assistance at all. This represents a significant future saving to Canadian taxpayers. In addition the operation and maintenance of the bridge will be funded on a user-pay basis through the collection of tolls.

We have debated a number of times over the last while in the House on the user-pay theory that has been put forward by this government. This is just another prime example where user pay is the appropriate way to go and is in support of any one of a number of government functions.

It is important to note that an estimated 3,500 person-years of employment will be created in the Atlantic region over the five-year construction period directly related to the bridge project. We can also talk about the fact that there are significant spin-offs outside the bridge project itself.

We cannot and do not ignore the fact that there will also be an enormous impact on the present Marine Atlantic ferry workers. We hope it will be found that an acceptable compensation and adjustment package will be in place to assist these employees who have contributed so much to their communities.

Nonetheless we are undertaking this project because we firmly believe that this bridge will have an enormous effect on modernizing transportation access to the island. We certainly anticipate with optimism that the dramatic improvement in accessibility to the island will have a very positive impact on Prince Edward Island's tourism industry.

A modern Canadian transport system is important to Canadian consumers and to our industrial sectors. Efficient transportation access is directly related to the competitiveness of Canadian goods and services on markets at home and abroad. For these reasons the federal government has always been and will continue to be committed to the future of the transportation industry in Canada.

In closing, it is my hope that all members of the House will join me in supporting Bill C-110 so that we may proceed with this important and historic national undertaking. I look forward to the question being put and the vote being taken.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I am very pleased to enter into the debate on the fixed link project.

The $900 million bridge proposed by Strait Crossing would replace federally subsidized ferry service between the two provinces. The government is willing to provide the developer with an annual subsidy over the next 35 years which would otherwise go to the ferry. The subsidy would then disappear with the government assuming ownership of the bridge which has a design life of 100 years.

This sizeable project of $900 million has not undergone the proper environmental studies, the proper socioeconomic studies. The ferry workers are also stating that they are unhappy with the lack of information coming from the premier's office on a compensation package should they lose their jobs to the link. They want answers and they want them soon. These are the kinds of things to be done before and not after a project is undertaken.

I come from British Columbia where there are many of these big megaprojects. I was the mayor of the city of Revelstoke when the big hydroelectric dams went in there. We had virtually three years of studies on the socioeconomic impact and how it affects communities. Where will the gravel come from for the massive amount of cement that is going to be used? What kind of environmental effects is that going to have on those parts of the country? What kinds of effects is it going to have on the communities close by? What will be the social impact on those communities? None of these questions have been answered.

In November the finance minister came in with a megaproject just before an election, a $900 million project for P.E.I., a link from P.E.I. to the mainland. He came in with this massive project. One of the main contractors is based in Calgary. Someone comments about the political impact of those four members of Parliament.

• (1740)

I would ask the political question: What about the donations to the federal parties? What about political donations to the governing party? A project of this magnitude is interesting. We will not find that out until the election is over and we look at the Election Expenses

Act to find out who contributed to the Conservative Party and who brought forward these kinds of funds. There is a long list of items.

I also want to talk about what happens when projects of this size come on stream, how they affect the communities, how they affect the hospitals that are needed, how they affect the services, the ambulance services and various other services that are required.

A community needs some time to know where the gravel is coming from, where the social base is coming from, where the education is coming from, and where the structure is going to be set in place to bring this about. Evidently the Liberals and the Conservatives have no concern about that. The main thing is to get the project on stream.

There is a ferry service in place that is handling that service, that transportation. There is no need for rushing on the part of the government to push through a project like this one. There is a need for people to go to work and the social impacts of that. We have called for infrastructure programs with municipalities. We have called for training of employees to get workers back. Why is the government not looking at these kinds of programs rather than this hare-brained idea of a fixed link to the mainland? If the government were to look at these kinds of projects, I would give it one.

There is a piece of highway from Banff National Park to Golden, British Columbia. It can only be described as a cow trail. I have been in contact with the Minister of Public Works and the Minister of Finance stating that the highway should be upgraded. We have a four-lane highway from Calgary to Banff. It goes down to a two-lane highway and then hits Field, British Columbia, and can only be described as a cow trail.

There is a court case going on in Golden right now, or in the Kootenays, with regard to serious accidents that have taken place on that piece of highway which was never built to number one TransCanada Highway standards. There is 18 per cent unemployment in the Kootenays. Here is a project the government could have gone into if it wanted to bring about programs to upgrade our transportation systems and meet the needs of the future.

I do not want to say to P.E.I. that it should not have its projects or that it should not have its methods. However, surely to goodness when we have the debt structure this government is talking about there are ways to upgrade ferry services such as we have done in British Columbia, to bring that about and to look at the other programs available to us.

Infrastructure in Canada, our sewer systems, our water systems and various other systems in our municipalities, can only be described as deplorable in many areas. The municipalities want to go, in many cases the provinces want to go, and the federal government says no, that it will not participate in those kinds of programs.

We do have a problem. We have a government that is trying just before an election to come out with some megaprojects, not only to create one of its dreams in the Atlantic provinces but to provide some funding for its next election campaign from big contractors who bid on these projects and donate to the government of the day. It uses those kinds of projects to get itself re-elected. It is in a kind of dream world with regard to these types of projects.

The project will not bring about the fiscal responsibilities that should be in a transportation act. It will not provide the kind of employment that is needed across Canada. It will not provide competitiveness. Some members over there like to use the word competitiveness: "We need some competitiveness in this government to be able to be competitive in the world market". Where is it going to bring about the competitiveness? While this link is being built, Canadian Pacific Railway is talking about tearing up its tracks.

Here is the government using government money to subsidize a bridge while the railways are saying they are going to tear up the tracks. The railways should be paying for that bridge, if that is what they are going to do. If they are going to tear up that track, with all of the lands and all of the assets they were given, the railways should be the ones that are providing the fixed link so that the transportation can come by truck, if that is what the railways are deciding.

Why is the government taking the—

The Acting Speaker (Mr. DeBlois): Order please. It being 5.45 o'clock p.m., pursuant to order made earlier this day in accordance with the provisions of Standing Order 78(3), it is my duty to interrupt the proceedings

and put forward every question necessary to dispose of the second reading stage of the bill now before the House.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

The House divided on the amendment, which was negatived on the following division:

(*Division No. 418*)

YEAS

Members

Althouse
Barrett
Brewin
Gardiner
Hunter
Mitchell
Parker
Stupich
Waddell—17

Axworthy (Saskatoon—Clark's Crossing)
Black
de Jong
Grey (Beaver River)
Karpoff
Nystrom
Robinson
Taylor

NAYS

Members

Anderson
Atkinson
Axworthy (Winnipeg South Centre)
Bevilacqua
Blackburn (Jonquière)
Bosley
Brightwell
Cadieux
Cardiff
Chadwick
Clancy
Clark (Brandon—Souris)
Cooper
Corbett
Couture
de Cotret
Desjardins
Dingwall

Andre
Attewell
Bernier
Bjornson
Blenkarn
Boudria
Browes
Campbell (Vancouver Centre)
Casey
Chrétien
Clark (Yellowhead)
Cole
Corbeil
Côté
Crawford
Della Noce
Dick
Dobbie

Domm
Duceppe
Edwards
Ferguson
Finestone
Foster
Friesen
Gauthier
Guilbault
Halliday
Harvey (Chicoutimi)
Hicks
Holtmann
Hudon
Johnson
Jordan
Kaplan
Keyes
Koury
Langlois
Layton
Lewis
Loiselle
MacAulay
MacKay
Marleau
Mazankowski
McGuire
Merrithew
Milliken
Moore
Nicholson
Pagtakhan
Pickard
Proud
Redway
Ricard
Roy-Arcelin
Schneider
Siddon
Sparrow
Stewart
Thacker
Thorkelson
Tremblay (Lotbinière)
Vanclief
Vankoughnet
Vien
Walker
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy

Dorin
Duplessis
Fee
Ferland
Fontaine
Fretz
Gagliano
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harb
Hawkes
Hogue
Horning
Hughes
Joncas
Jourdenais
Kempling
Kilgour (Edmonton Southeast)
Landry
Larrivée
Lee
Littlechild
Lopez
MacDougall (Timiskaming—French River)
Marin
Masse
McDermid
McLean
Mifflin
Monteith
Nault
Oberle
Paproski
Porter
Prud'homme
Reimer
Robitaille
Saint-Julien
Shields
Simmons
Stevenson
Tardif
Thompson
Tremblay (Québec-Est)
Valcourt
Van De Walle
Vézina
Vincent
Weiner
Winegard
Young (Acadie—Bathurst)—140

PAIRED MEMBERS

Anawak
Catterall
Danis
Manley
Soetens

Cadieux
Charest
Maheu
Shields
Turner (Vancouver Quadra)

• (1810)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare the amendment lost.

Mr. Gagliano: Mr. Speaker, I think that the House will consent unanimously to applying the result of this vote in reverse to the main motion.

The Acting Speaker (Mr. DeBlois): Is it agreed?

Some hon. members: Agreed.

Mr. Duceppe: Mr. Speaker, I shall vote against the main motion.

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

(Division No. 419)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Axworthy (Winnipeg South Centre)	Bernier
Bevilacqua	Bjornson
Blackburn (Jonquière)	Blenkarn
Bosley	Boudria
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Chrétien
Clancy	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Cooper	Corbeil
Corbett	Côté
Couture	Crawford
de Cotret	Della Noce
Desjardins	Dick
Dingwall	Dobbie
Domm	Dorin
Duplessis	Edwards
Fee	Ferguson
Ferland	Finestone
Fontaine	Foster
Fretz	Friesen
Gagliano	Gauthier
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harb	Harvey (Chicoutimi)
Hawkes	Hicks
Hogue	Holtmann
Horning	Hudon
Hughes	Johnson
Joncas	Jordan
Jourdenais	Kaplan
Kempling	Keyes
Kilgour (Edmonton Southeast)	Koury
Landry	Langlois
Larrivée	Layton
Lee	Lewis
Littlechild	Loiselle
Lopez	MacAulay
MacDougall (Timiskaming—French River)	MacKay
Marin	Marleau
Masse	Mazankowski
McDermid	McGuire
McLean	Merrithew
Mifflin	Milliken
Monteith	Moore
Nault	Nicholson
Oberle	Pagtakhan
Paproski	Pickard
Porter	Proud
Prud'homme	Redway
Reimer	Ricard
Robitaille	Roy-Arcelin
Saint-Julien	Schneider
Shields	Siddon
Simmons	Sparrow
Stevenson	Stewart
Tardif	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Valcourt	Vanclief
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	Walker
Weiner	White
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy	Young (Acadie—Bathurst)—139

NAYS

Members

Althouse	Axworthy (Saskatoon—Clark's Crossing)
Barrett	Black
Brewin	de Jong
Duceppe	Gardiner
Grey (Beaver River)	Hunter
Karpoff	Mitchell
Nystrom	Parker
Robinson	Stupich
Taylor	Waddell—18

PAIRED MEMBERS

Anawak	Cadieux
Catterall	Charest
Danis	Maheu
Manley	Shields
Soetens	Turner (Vancouver Quadra)

The Acting Speaker (Mr. DeBlois): I declare the motion carried. Accordingly, the bill is referred to a legislative committee in the Departmental envelope.

Motion agreed to, bill read the second time and referred to a legislative committee in the Departmental envelope.

[*English*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(6), the House will now proceed to the taking of the deferred division on the motion at third reading stage of Bill C-76, an act to amend certain statutes to implement certain fiscal provisions of the budget tabled in Parliament on February 25, 1992.

* * *

BUDGET IMPLEMENTATION (FISCAL MEASURES) ACT, 1992

MEASURE TO AMEND

The House resumed from Friday, February 19, consideration of the motion of Mr. Mazankowski that Bill C-76, an act to amend certain statutes to implement certain fiscal provisions of the budget tabled in Parliament on February 25, 1992, be read the third time and passed.

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

(Division No. 420)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Bernier	Bjornson
Blackburn (Jonquière)	Blenkarn
Bosley	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Clark (Yellowhead)	Clark (Brandon—Souris)
Cole	Cooper
Corbeil	Corbett
Côté	Couture
de Cotret	Della Noce
Desjardins	Dick
Dobbie	Domm
Dorin	Duplessis
Edwards	Fee
Ferland	Fontaine
Fretz	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Grey (Beaver River)
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hogue	Holtmann
Horning	Hudon
Hughes	Johnson
Joncas	Jourdenais
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDougall (Timiskaming—French River)	MacKay
Marin	Masse
Mazankowski	McDermid
McLean	Merrithew
Monteith	Moore
Nicholson	Oberle
Paproski	Porter
Redway	Reimer
Ricard	Robitaille
Roy-Arcelin	Saint-Julien
Schneider	Shields
Siddon	Sparrow
Stevenson	Tardif
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	Weiner
White	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—107	

NAYS

Members

Althouse	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)	Barrett
Bevilacqua	Black
Boudria	Brewin
Chrétien	Clancy
Crawford	de Jong
Dingwall	Duceppe
Ferguson	Finestone
Foster	Gagliano
Gardiner	Gauthier
Harb	Hunter
Jordan	Kaplan
Karpoff	Keyes
Kilgour (Edmonton Southeast)	Lee
MacAulay	Marleau
McGuire	Mifflin
Milliken	Mitchell
Nault	Nystrom
Pagtakhan	Parker
Pickard	Proud
Prud'homme	Robinson
Simmons	Stewart
Stupich	Taylor
Vanclief	Waddell
Walker	Young (Acadie—Bathurst)—50

PAIRED MEMBERS

Anawak	Cadieux
Catterall	Charest
Danis	Maheu
Manley	Shields
Soetens	Turner (Vancouver Quadra)

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Bill read the third time and passed.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 6.22 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.22 p.m.

HOUSE OF COMMONS

Tuesday, February 23, 1993

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 22 petitions.

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

* * *

[*Translation*]

JUSTICE AND SOLICITOR GENERAL

PRESENTATION OF FIRST REPORT OF SUBCOMMITTEE

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, I have the honour to present, in both official languages, the first report of the subcommittee of the Standing Committee on Justice and the Solicitor General, on recodifying the general part of the Criminal Code.

[*English*]

Pursuant to Standing Order 108(1)(a) and (b), the order of reference of June 13, 1991 of the Standing Committee on Justice and Solicitor General, and the order of reference of February 17, 1993 of the House, your subcommittee has considered matters relating to the recodification of the general part of the Criminal Code and your subcommittee agreed to make recommendations for a recodified general part of the Criminal Code.

Pursuant to Standing Order 109 the subcommittee requests a comprehensive response to this report within 150 days.

• (1010)

Mr. Speaker, you will know that we have been striving to complete this report for well over a year. I would particularly like to thank our distinguished clerk, Richard Dupuis, his assistant clerk Nancy Hall and their secretary Georgette Dubeau, legal counsel for the subcommittee, Mr. James O'Reilly, senior analyst from the Library of Parliament, Mr. Phillip Rosen, and the research officer, again from the Library of Parliament, Marilyn Pilon.

* * *

BILL C-289

REPORT OF LEGISLATIVE COMMITTEE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-289, an act to provide that Remembrance Day be included as a holiday in Public Service collective agreements.

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

* * *

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

Mr. Rey Pagtakhan (Winnipeg North) moved for leave to introduce Bill C-408, an act to amend the Unemployment Insurance Act (maternity benefits for adoptive mothers).

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Pagtakhan: Mr. Speaker, this bill would give women who adopt children the same rights to maternity leave as women who become pregnant. It would also permit a claimant to take an extended period to care for a child with a physical, psychological or emotional condition when a child is less than six months of age upon arrival at the claimant's home.

Today the current system financially penalizes adoptive parents even though they provide very useful roles and service to our country.

The Acting Speaker (Mr. DeBlois): Mr. Pagtakhan moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

PETITIONS

KILLER CARDS

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, pursuant to Standing Order 36, this petition is hereby certified correct as to form and content. It contains 28 signatures but represents over 3,000 signatures which I have received on behalf of people who are opposed to the importation of the killer cards.

WATER DIVERSION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition on behalf of a number of residents of central British Columbia who are dedicated in their opposition to the plan to divert part of the North Thompson River in an effort to sell the water in the San Diego, California area.

The petitioners are of the opinion that the North America free trade agreement will facilitate this. This concerns them obviously and they ask that the government take whatever steps are necessary to ensure that Canadian waters will never be diverted into the United States.

[*Translation*]

REQUEST FOR ELIMINATION OF VIOLENCE IN OUR SOCIETY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I would like to table a petition from residents of Val d'Or, Sullivan, Barraute, La Motte, Saint-Dominique-du-Rosaire, Saint-Félix, Villemontel, Senneterre and the Senior Citizens Club of Val-Senneville, all in the riding of Abitibi. Your petitioners say that films depicting violence on television are dangerous and therefore unacceptable because they act as a stimulus for violent behaviour.

The petition also says that all toys that incite children to play violent games are unacceptable and their manufacture should be banned. It is also pointed out that the freedom of the press should be restricted when reporting on acts of violence, and that the repeated broadcasting of news about acts of violence on television, on all channels and on radio may act as a stimulus for similar violent behaviour.

Therefore your petitioners humbly pray and call upon Parliament to pass the appropriate legislation in order to eliminate violence in our society and thus protect our children and give all citizens a better quality of life.

[*English*]

VIOLENCE

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I have several thousand signatures to present today on petitions. This will make over 1,400,000 signatures we have received from across Canada from people who are in support of the parents of Nina de Villiers. They feel that many people in Canada are vulnerable with little protection under the current criminal justice system, the Criminal Code, and that women, children and disabled persons are particularly at risk.

These signatures request that Parliament recognize crimes of violence against the person as serious and abhorrent to society. They ask the government to amend the Criminal Code of Canada, the Bail Reform Act, 1972, and the Parole Act accordingly.

HEALTH

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I would like to present this petition on behalf of Canadians from Winnipeg, the maritimes and other areas. Apparently meningococcal disease has taken many lives of children in Canada. A test kit that can detect all types of this disease in its early stages now exists.

These petitioners pray that Parliament call upon the Department of National Health and Welfare to ensure that this test kit is fully developed so that our citizens may fully benefit from it.

CHILD POVERTY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have two petitions to present this morning. The first comes from people in my constituency who are most concerned about the question of child poverty in this country.

In their petition they note that the House of Commons unanimously passed a motion in 1989 expressing its concern for the more than one million Canadian children currently living in poverty. They also note that the House of Commons established the goal of eliminating poverty among Canadian children by the year 2000.

The petition indicates some of the continuing realities of poverty for children in Canada. It concludes with the petitioners who have signed it praying and calling upon Parliament to take the actions necessary to reaffirm that 1989 commitment to seek the elimination of poverty among children in Canada by the year 2000 and to develop a plan for the implementation of this commitment.

CANADIAN UNITY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the second petition is from people in the town of Essex in my constituency who organized a series of events including a petition last year to promote pride in being Canadian.

They indicate in this petition that they believe it is appropriate to encourage all Canadians to take pride in a united, strong and independent Canada. They suggest that through the "Proud to be a Canadian" project brought forward by Kinsmen and Kinette clubs throughout Canada an opportunity should be provided for Canadians to nurture a strong relationship with our heritage and our flag, to encourage stronger ties among all Canadians for the further advancement of Canada as a leader in world circles, and to promote our tremendous pride in being Canadians.

CHILD POVERTY

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I too have pleasure in presenting a petition from my riding that reminds the House that we unanimously passed a resolution on November 24, 1989 expressing concern for the more than one million Canadian children living in poverty and setting the goal of eliminating child poverty by the year 2000.

The petition reminds us all that child poverty represents increasing costs in the health care system, the justice system, social welfare, school dropouts, loss of productivity and, more important, loss of human potential.

The United Nations convention includes a moral and legal obligation to do as the petition asks and to implement plans to eliminate child poverty in the next seven years as we have said we would do.

Mr. John Manley (Ottawa South): Mr. Speaker, I too have two petitions reminding the House of the unanimous resolution of November 24, 1989 that the House express its concern for the more than one million Canadian children currently living in poverty and resolve to achieve the goal of eliminating poverty among Canadian children by the year 2000.

• (1020)

The petitioners remind the House of the enormous cost for Canada of allowing unalleviated this poverty to continue. They ask us to work toward achieving the goal of eliminating child poverty by the year 2000.

* * *

QUESTIONS ON THE ORDER PAPER

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved that Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts, be read the second time and referred to a legislative committee in the Economics envelope.

He said: Mr. Speaker, I have the pleasure of presenting for consideration to the House second reading of Bill C-92, a bill that proposes to amend the Income Tax Act and various other acts.

This bill will implement a number of important measures that were first announced in the February 1992 budget. It delivers on a key undertaking of this government to cut spending so that we can cut taxes and foster growth and competitiveness. As well, the bill includes a number of technical amendments to the Income Tax Act.

I see my hon. friend across the way grinning because it seems like we never stop introducing and implementing technical amendments. While this package is rather comprehensive in that light we hope that it will remove quite a backlog that has accumulated over time.

The budget measures in many respects reflect the views of Canadians in the very comprehensive cross-Canada consultation process that I conducted prior to the February 1992 budget. In the course of that the message that I received very loud and clear was the fact that Canadians expect their governments to cut spending. They want the deficit controlled. They want measures taken to stimulate growth and encourage job creation. They want to see investments made that will produce wealth and in a productive way stimulate and generate growth and wealth for the economy.

Most of all, they want a lower tax burden because Canadians believe that they have been overly burdened with the level of taxes. This bill reflects that and reflects those principles outlined in the budget of February 1992.

As well, the technical amendments contained in the bill reflect the constructive input which we have received from taxpayers and their advisers over the past few years. The aim of these amendments is to maintain and enhance the equity and efficiency of the tax system. This represents an important element of the tax system and our commitment to strengthen the Canadian economy by removing impediments and distortions caused by the tax system.

As I said, while this is a fairly large package it does remove a backlog that has accumulated for quite some time. Our hope is to proceed with this on a more regular basis so that we will not have to deal with such a large number of initiatives and perhaps will deal with it on a more frequent basis in a much more manageable way.

In outlining the measures in this bill I would like to begin with a description of some of the tax reductions that are being proposed. First, Bill C-92 would give legislative approval to the 1 per cent reduction in the surtax on the personal income tax that came into effect on July 1, 1992.

As well, there is the additional one percentage point reduction that came into effect on January 1, 1993. With these measures announced in the budget, the surtax declines in two stages from 5 per cent of the basic federal tax to 3 per cent.

In this connection, all 14.6 million Canadian taxpayers will benefit from these reductions. For example, the single taxpayer earning $30,000 would receive a reduction of federal tax of $76 in 1993. A one income couple with two children and earnings of $50,000 would receive a reduction of $162 in federal tax this year.

These steps are expected to reduce federal revenues in this fiscal year, 1992-93, by some $500 million. The total impact over the period 1992-93 to 1996-97 is expected to amount to $6.6 billion. I should point out that these reductions are being covered by cutting expenditures elsewhere in government consistent with the theme of what we heard as we travelled across the country.

As well, these tax reductions reflect a central aspect of the government's philosophy on how best to foster growth. We believe that Canadians can make better and more productive use of their money than governments can. Our philosophy is that the more money we can leave in people's pockets the better it will be for our economy. That is a constant theme that we have followed and will continue to follow to the very best of our ability.

In addition a number of changes are implemented here for Canadian business. The goal of these initiatives is to assist companies in the manufacturing and processing sector as they restructure their operations and take advantage of the opportunities presented by the new age of globalization and the challenges presented by the increasing competitiveness in world markets.

The manufacturing and processing sector, as we are all aware, accounts for about one-fifth of Canada's domestic product. The economic health of this sector is therefore vital to the over-all health of the Canadian economy. It is also a sector that has perhaps been exposed more to international competition and adjustment in restructuring than any other sector.

All sectors of course have been exposed but this one has in a particular way been exposed. As a result of the exposure it is expected that the manufacturing and processing sector must become more productive and more competitive. In the course of that it means the challenge of producing more goods with fewer people.

That is an adjustment we have seen witnessed in the agricultural sector. We now see it happening in the manufacturing sector. That is part of the evolution of a vibrant world economy. Our goal and our aim is to assist in the process of facilitating that adjustment process. It is also to ensure that our Canadian industry is competitive, that it can compete in world markets, because so much of our vitality depends upon the export sector.

This exposure can only grow as trade and investment barriers continue to fall throughout the world and as technological advances make it possible for companies to have increasing flexibility as to where they locate their production facilities.

This does indeed provide challenges and opportunities for Canadian firms to expand and grow, building on their success to date and building upon our ability to compete. Currently 40 per cent of the manufacturing and processing output of these firms is exported. That clearly demonstrates the importance of the export market. It also forces a discipline on Canadian industry and governments to ensure that they have the appropriate structure, the appropriate financial environment and the appropriate investment environment in place so that companies engaged in this very important sector can extract the maximum of productivity and efficiency.

It is with this in mind that we propose to reduce the tax rate on income, the income tax on corporations derived from the manufacturing and processing, from 23 per cent to 21 per cent in two stages. The first decline takes effect on January 1, 1993. The second one is scheduled for January 1, 1994. The tax reduction complements two other measures announced in the budget. The first is a commitment to negotiate with other countries with respect to the deduction of withholding taxes. The second is an increase in the allowable capital cost allowance for manufacturing and processing equipment.

• (1030)

In that case we reduced effective budget night, February 25, the capital cost allowance. We increased it from 25 per cent to 30 per cent. When taken all together, the three corporate tax measures would mean that a Canadian manufacturing company not subject to the withholding tax would be subject to a significantly lower statutory tax rate in Canada than its competition in the U.S., 35 per cent versus 39 per cent, again demonstrating the thrust of this budget to improve the competitiveness for the Canadian sector.

For a company that is a subsidiary of the U.S. parent, total income and withholding tax would be less in Canada than it is in the United States.

We took these steps to provide incentives that would encourage investment and build a healthy economy and of course to create jobs, to secure the stability and the strength of those existing companies and to nurture and encourage other companies to become involved and take advantage of the newly emerging economy.

We know that from time to time we have to adjust our investment measures to ensure that they reflect the fiscal reality of the government, that they respond to economic conditions and that we get the best value for the taxpayers' dollars that are provided through these incentives.

To this end Bill C–92 proposes to target the lifetime exemption for capital gains toward more equity investment. In other words it will try to encourage more investment in firms that produce well, that generate jobs and generate economic activity.

The Income Tax Act therefore will be amended to no longer provide the $100,000 lifetime capital gains exemption on real estate purchased after February 1992 and to restrict it on real estate purchased before March 1992.

For the greater certainty of this particular measure, I would like to clarify some important points. First, this change does not apply to real estate used in active business. Second, it does not affect the $500,000 exemption for qualified small business shares and qualified farm property. Third, it does not affect the exemption on capital gains from the sale of principal residences and I think that is very important. The thrust of the lifetime capital gains exemption is left intact. What we are doing here is providing a measure which would hopefully encourage more investment in equity, more investment in productive enterprises that would generate jobs and generate growth.

The bill also proposes to modify the rules of the labour sponsored venture capital corporations, which are investment funds set up by labour organizations to purchase shares in small businesses. These changes include an increase in the maximum credit for investments in these funds from $700 to $1,000, an increase in the size of the company in which the funds may invest and a relaxation in the eligibility criteria for the fund sponsorship.

I should say that this too has been a very useful and encouraging kind of measure which brings ordinary workers more into the opportunity of investing in their own corporations.

There are some other measures I would like to refer to such as the home buyers' plan. As we have seen, economic growth has been strengthened by the home buyers' plan which was announced in the 1992 budget. This measure allows home buyers to withdraw up to $20,000 in existing funds from registered retirement savings plans and to use the money to finance the purchase of new or existing homes.

Where the home is being occupied as the buyer's principal residence, there is no tax on the withdrawal. The withdrawal is repayable to the home buyer's RRSP in equal instalments over a 15-year period.

Since this plan was announced, the response from Canadians has been impressive and so far there have been some 130,000 withdrawals under this plan. This initiative together with the reduced CMHC down payment requirement from 10 per cent to 5 per cent has helped in increasing housing starts in 1992 by some 7.7 per cent over 1991.

This has been an initiative that has been utilized. It has certainly helped people to get into homes. There is perhaps nothing that generates more economic spin-off than the home building industry. We not only have the activity of the building of the home, but indeed we have the spin-off in terms of equipping the home with furnishings and appliances. It does have a very positive impact in improving domestic demand. A one year extension of the plan was announced in the December economic statement and legislation to implement this extension will be introduced shortly.

Another change that was proposed in this legislation is to modify the tax system so that it treats common law couples in the same way as married couples. The broader definition of spouse that is currently used in the Income Tax Act for provisions relating to pensions and other retirement plans will be extended for all other purposes under this act. Under this broader definition the term "spouses" will include both married and common law spouses.

I would like to now turn to some of the technical amendments of the Income Tax Act that we are proposing in Bill C-92. First of all we propose to reverse the ordering of the credit currently provided for the large corporations tax in the special Part VI tax on financial institutions against the corporate surtax and income tax. This will allow foreign parents of Canadian companies to obtain recognition abroad for a larger portion of the Canadian taxes for which they are liable and provide an added incentive for them to continue investing in the Canadian economy.

Second, we propose to amend the Income Tax Act so that once the bill is enacted the government can collect a portion of taxes in cases where there is a dispute. This provision will apply only to disputed taxes of companies that are liable to the tax on large corporations. Individual taxpayers and small companies will not be required to pay over disputed taxes until a court has ultimately ruled on the question of liability of those taxes.

As well, we are proposing certain changes to the 21 year rule for trusts. These changes were initially announced on February 11, 1991. One measure will ensure that the 21 year period cannot be refreshed by transferring trust assets to new trusts. Other changes would ensure that capital gains consequences will be substantially the same whether individuals make a gift of property directly to their children or make the gift to a trust for the children's benefit.

In this connection there are a number of issues and misunderstandings that I would like to address because there has been, even on the floor of the House of Commons, some questions raised about this issue and some interpretations about it which are not correct. These misunderstandings essentially fall into three categories. First, it has been suggested that wealthy individuals are able to avoid taxes by setting up trusts. This is simply not the case. When property is transferred to a trust, any capital gains which have accrued on property must be recognized at that time.

Furthermore, trusts or their beneficiaries are subject to income tax each year on income generated in the trust just like any other taxpayer. Gains accruing while property is held in a trust are treated as accruing for the benefit of the trust beneficiaries, an approach which reflects the legal reality of these arrangements.

Second, it has been suggested that the distribution of trust property to beneficiaries within the 21 year period results in an unintended tax deferral. Again, this is simply incorrect. This is not the case. Such distributions are treated on a roll-over basis, recognizing that trust property is being held for the beneficiaries and should be treated in the same way as if it had been transferred directly to them. The 21 year rule was never intended to prevent this treatment of trust distributions.

Third, it has been suggested that substantial sums of tax revenues will be forgone as a result of these changes and this too is unfounded. Most trust property in the absence of these changes would have been distributed to beneficiaries before the end of the 21 year period and in such cases capital gains would be payable by the beneficiaries when the property was sold or ultimately on their death. The proposed changes will not alter this result.

I think this is very important because it is an important mechanism in terms of administering estates and administering people's holdings. Some may not have the capacity to do it on their own and so the set-up in the trust of this nature is very important.

• (1040)

There are a number of other technical measures which I do not intend to go into in detail. The explanatory notes provided by the department will clearly explain these measures. For hon. members who wish to become more familiar with these, I would suggest that they refer to the explanatory notes prepared by the Department of Finance. That includes the Net Income Stabilization Account program which was established in the Farm Income Protection Act; the disposition of capital property on death; the evaluation of employee stock options after death; the tax status of employees of the United Nations and agencies; the filing of information returns by non-profit organizations; rules for amateur athletes; trust arrangements and, finally, regulations permitting supplementary pension plans to be treated as retirement compensation arrangements.

To conclude, the tax measures which were announced in the February 1992 budget, including those before us today, form a key and integral part of the action plan of the government to implement an economic agenda supported by Canadians in every part of the country. This plan includes action to bolster economic activity by cutting personal income taxes, action to boost the housing industry through the home buyer's plan and action to encourage productive investment that will create jobs and provide for incentives to the manufacturing and processing sector, to provide further incentives for R and D and to provide and improve investment instruments and facilities so that more people can invest in productive enterprises that will create jobs and create wealth.

This bill gives legislative effect to measures that will directly benefit Canadians and to strengthen the economic recovery now under way. As well, we are moving second reading of the bill at this time to give taxpayers and their advisers the assurance of the government's commitment to these measures. I think that is a very important signal.

With these measures in mind and in the interests of all Canadians, I hope and I urge that all members of the House will support this bill.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I am pleased to rise and speak on this bill, Bill C-92, which as you can see is an extremely complex and thick piece of legislation. It has an awful lot of technical changes and an awful lot of provisions in it, many of which, by the way, we support. We think there are many good things in this bill.

The problem we have is with the complexity of the bill, the length of the bill and with the innumerable measures. I have to be very honest with you, Mr. Speaker, it is very much a question of trust. When you look at a bill like this and you realize the vast implications of some of these measures, you have to wonder if you trust this government to be telling you absolutely everything up front? I have to be very honest and say to you that I know the Canadian people have lost a lot of their faith and trust. As a result of that, they are not sure they want to support all of these initiatives, as I am not sure that I want to support all of these initiatives. If I had a lot of faith, perhaps I would.

I also would like to remind the people sitting in this House today that in 1982 when a Liberal government introduced a complex bill such as this, the then Conservative opposition filibustered. If you recall, Mr. Speaker, the bells rang for a full two weeks in this House because they felt they could not support one bill dealing with that many complex issues. At that point the bill was split up into a number of more digestible parts.

I want to remind this government of this. It took such drastic measures to ensure that things were dealt with in a clear and open manner, insisted upon it and for that matter paralysed this House for a full two weeks. As one of the finance critics I follow those bills more closely than I do some of the others. I am sure the government is doing it with many of the other bills we see before this House.

The government continually brings in a whole mish-mash, a whole host of measures, some of them extremely complex. Some of the bills we support whole-heartedly. However, there are others which the government is trying to sneak in so it can say to the people of Canada: "We offered them what they wanted but they voted against it". We honestly have to oppose the things we think are wrong.

It has been a method of this government to continually bring in a number of measures which would not be supported by the majority of Canadians and to include them in a bill, perhaps such as this one, that a number of Canadians would support.

I say to the people of Canada there are many things in this bill that I personally support but I want many more explanations before I will whole-heartedly support it. I am sure there are many things in it that I would not support were I to know expressly what they meant in the long run.

Therefore, I will be forced not to support this bill. I think it is a question of absolute honesty and ensuring that all details included in this package are absolutely transparent and for the good of all Canadians.

Some of the measures included in this bill are things we ourselves had been pushing this government to bring forward. I remind all Canadians that we had been asking for quite a while that Canadians be allowed to use their RRSPs to purchase homes. That measure of course is included in this particular bill. That is something we believe in and which has been brought forward. It has helped. It has caused some stimulus, perhaps not as much as we would have liked it to.

We believe that the recession has been such that some of these measures were not as efficient as they might have been had the recession not been so deep, had people not been quite so worried about whether they would have jobs tomorrow. Therefore they have put off buying homes. In that particular instance I hope the date is extended so people can use their RRSPs to purchase their first home.

When it comes to reductions in the individual surtax from 5 per cent to 3 per cent I really do believe this government was honestly trying to give Canadians a break. One of the things this government fails to take into consideration whenever it brings in such a measure is the fact that more often than not other levels of government move in and take over the vacated place.

Over the last years this government has consistently reduced transfer payments to the provinces and the provinces are also in a terrible cash crunch. In the case of Ontario no sooner had this reduction been announced than the NDP government moved in and took it over.

In effect Canadians have not had a break—at least the people in Ontario and I cannot speak for other provinces but I would suspect it is pretty well happening in other areas. Ontario took up the slack and absolutely moved in and that is the end of the benefit to the people in Ontario. I was wondering if there were other provinces that did the same thing.

An hon. member: British Columbia.

Mrs. Marleau: British Columbia is doing the same thing.

While we have the Minister of Finance before us I would like to determine whether there is any way before bringing in measures such as this that he could work in tandem with the provinces to ensure that the benefits flow to those intended to receive them.

• (1050)

It is absolutely important when we bring forward such a measure that we know it will actually happen. This is not happening. It is true that our coffers will lose that much but the provincial coffers will take it up. It is not to say the provinces do not need the money. I am sure they do, as we do for that matter.

We are all battling the deficit. Perhaps we should have kept the tax room instead of giving it to the provinces. That is a consideration when realizing that they move in right away. It is extremely difficult to negotiate with the provinces. I understand that. Somewhere, somehow we have to get our act together. When we do something at one level we have to ensure it is supported by other levels of government.

I am going to get off base just slightly here because I like these figures. I realize the NDP has just come out with its policy on replacing the GST. One of the things it said was that it would increase the tax on wealthy Canadians.

I notice that Canadians who would have the reduction in the surtax over a five-year period would have had a saving of $6.6 billion. What that says to me is if the surtax is increased by 2 per cent, the supposed windfall a tax on wealthy Canadians would bring in is perhaps not as large as might be necessary to replace the GST.

If this is something that would bring about a cost, in this case of $6.6 billion and if it is reinstated, then it would stand to reason that the only moneys found would be $6.6 billion approximately over the next five years. The GST net is now bringing in close to $16 billion and that is only for one year.

An hon. member: $15.4 billion.

Mrs. Marleau: It was $15.4 billion for 1991-92. I just want to remind the NDP there is a very wide gap between what it has said and what it has to replace. It is very important that people realize this.

One of the other measures the NDP talked about was that it would bring back an inheritance tax. I am not sure if I have my figures correct but I know the United States has these kinds of taxes. The population of the United States is much bigger than ours and its wealth tax or inheritance tax brings in approximately $500 million a year. If I am not mistaken that is about the sum total it brings in.

I want to again remind the NDP that the odds of bringing in a vast amount of money from an inheritance tax are not there. One of the reasons it was stopped was that the cost of collecting it was far greater than what actually came in, especially when the capital gains tax was brought in.

In essence, that is a tax on wealth. I am not saying that an inheritance tax would not bring in some money. It certainly would. The amount would certainly not be of the magnitude of $15.4 billion, absolutely not. Therefore we would have to look even further to bring in that kind of revenue in one year.

One of the things that happens when an inheritance tax or a wealth tax is brought in is that a lot of jobs are created for estate planners. If the NDP members are friends with the estate planners and lawyers then they should feel free to bring in all of these estate taxes. They would be their friends for a long time.

I do not believe that is exactly what the NDP members had in mind. I think what they had in mind was to bring in a tax which would bring in some revenues.

I am going through these things because it is very important to realize there has to be a reasoned assessment of how much cash will be brought in. That is because we do have a debt and as Canadians we have to be responsible for tackling that debt.

Another thing the NDP has said is that as a first step it would close loopholes. That of course would bring in billions of dollars. I do not know how much it would bring in. I really cannot say.

I have to give some credit to the Conservatives. As much as it pains me I do. They also have been trying to close loopholes. As soon as a new tax change comes into play lawyers and accountants quickly find a way around it. It is almost a whole industry and it is difficult to control. We absolutely have to continue to close those loopholes.

On the other hand, I do not believe that $15.4 billion in taxation will be found after closing those loopholes. I may be wrong but I would be very surprised if that happened. As a matter of fact if revenues of that size were involved in closing loopholes I have a feeling that this cash-strapped government would have found a way of getting a hold of those moneys by now.

As much as they like big business and trans-nationals, I think they are also concerned with our debt, at least this is what they say. I have to believe that this is true because it is something we all face together.

I digressed a little bit because but I thought it was essential to explain this.

I also believe that the NDP plan touched upon the 21-year rule on family trusts. I must thank the minister for explaining the 21-year rule and for making it so clear that there are really no vast amounts of money hidden.

I have seen some of the householders which have been sent around. I have one here which gives an example of a trust of about $70 million established for someone in 1969. Today that trust would have a value of over $600 million. If it had been kept in very conservative investments such as Canada Savings Bonds then it would have gone completely tax-free for those years. This was in a mail out one of the NDP members sent out to the riding. I have to say that is false. Obviously the minister explained that trusts pay taxes so let us not mislead the Canadian public. Trusts do pay taxes.

We are trying to get at the capital gains. Capital gains happen to either a piece of property or for example shares in a corporation that one may hold for 20 years. Obviously that piece of property or those shares may have appreciated in value.

For example, a house is bought for $20,000. Ten years later the house is worth $200,000 and 15 years later it may be worth $150,000. No taxes are paid on that until the house is actually sold and it is not taxable if it is your principal residence. However, you could own an apartment building somewhere and it would appreciate in value that much. Obviously you would not be taxed on the increase in value until that asset was disposed of.

The same thing happens with trusts. The question I have on trusts is as to why we are extending the 21-year rule. That is not clear in my mind. If I trusted more perhaps I would believe it is simply to allow for some trusts to look after disabled individuals for example, but there has to be more to this than meets the eye.

I know if we had not announced that we were extending the 21-year rule these trusts would have been split up and dispersed. There would have been no capital gains taxation by the way because capital gains are not paid on a trust when the assets are disbursed to the beneficiaries. It is as if they had held them and had owned the stocks the whole time.

The only time capital gains comes into play on these properties is when the beneficiaries die or if the assets are left in that trust. At the end of 21 years then obviously the capital gains would come into play. Knowing the people who would have charge of these trusts, I do not think they would want to pay the taxes. Therefore, had we not extended the 21 year rule, these trusts would have been distributed to the beneficiaries. A few would have sat on the assets and insisted on paying the capital gains taxes.

• (1100)

I have worked enough in the field to say that nobody likes to pay taxes. Whether you are rich or poor, you will do your utmost to ensure that you plan ahead so you do not have to pay these taxes.

Why are we extending the 21 years? I realize it is an arbitrary number. Somehow I am not clear on why we are doing it. I really wonder if it has to do with control.

I want answers to those questions and I will ask them in committee. I have very grave reservations about why we would leave it. It has been opened up for an extended time, until the last beneficiary dies which could perhaps be another 40 years. Why are we doing this?

Again I remind the House that if the trust is distributed to the beneficiaries and they live another 40 years, they do not pay capital gains on it for the next 40 years, or until they sell or die. I think it is very important to make it absolutely clear that these things must be understood. You can really mislead people into believing there are vast amounts of tax dollars we are not tapping. There are not, unless the government is keeping things from us, which it may well be doing. I have already said that it is a question of trust.

An hon. member: That is an unfortunate statement.

Mrs. Marleau: I have to agree that it is an unfortunate statement, Mr. Speaker. However, there is an unfortunate state of affairs in this country. We no longer trust what is happening in our parliamentary institutions and I do not trust the government. I am an elected MP, here to represent my people and I worry about sleight of hand. I am worried because of the complexity of some things.

Why are all these measures in one bill? Why wait so long after the budget was presented to actually bring this bill forward? I have to wonder if it is in the hopes that we will forget what it contains and will be so busy with other things that we will just pass it without asking questions. There is no hope of that.

I will outline some other things which are included in this bill that we should be considering, such as the expansion of the definition of marriage for income tax purposes to include common law relationships. I think we should expand that definition. However, we have no way of knowing really if it is going to happen or not. We are saying to Canadians: "You can now file as married and we trust that you will". I trust that many will. However many will not because they may not even be aware of the changes in the legislation for one thing. I am of the opinion that the legislation may not be definitive enough about how it will be applied. Again, these are questions that I will have to clarify.

There are measures that will assist Canadians with disabilities. I think that is a very laudable endeavour and we should assist Canadians with disabilities.

The reduction of the manufacturing corporate income tax rate is a good idea. Our industries have been decimated. They need all the help they can get. I hope that the provincial governments will not come in and undo whatever measures we have brought forward at this level. In this way we hope to help the manufacturing sector compete and be able to expand its base and operations because we absolutely, desperately need the jobs in this country. The healthier our manufacturing base is the better it is for us.

One of the other measures that really irritates me is the disallowance of the capital gains exemption on capital gains accrued after 1992 on real estate held for investment purposes. There will no longer be that $100,000 capital gains which could be used against this particular kind of purchase.

A person investing in foreign bonds or foreign shares will be able to use the $100,000 capital gains exemption on the sale of them. We should ensure that the moneys we allow under that $100,000 capital gains be investments made solely and completely here in Canada. This particular policy should not penalize Canadians who are investing locally and purchasing an apartment building or something of that nature versus someone who is investing offshore. It is absolutely essential that we continue to encourage Canadians to invest in Canada in every way we can.

I hope when we go through this bill that some amendments can be made to ensure that Canadians invest their money here. It is the only way we can ensure a viable corporate infrastructure. If we do not invest in our own companies and ventures, how can we expect others to invest in Canadian ventures? It is essential that this be looked into.

The reinstitution of the small business development bond program is certainly a good idea and I support that initiative. We wonder what form this government will continue to take. There are so many technical changes in this particular bill that I am forever worried about it. All you have to do is read any one page and even the explanations. The Minister of Finance said to read the explanations and I would like to read some to you. They are very complex.

This is just one and it concerns the trusts. "Every trust shall on each of the following days be deemed to have disposed of each property of the trust that was capital property other than depreciable property, or land included in the inventory of the trust for proceeds equal to its fair market value on that day and to have reacquired the property immediately thereafter for an amount equal to the fair market value and for the purposes of this act those days—".

It goes on. It is written in very small text and it is extremely complex.

One of the other measures in here also deals with trust. The government is stating it will tighten up the rules so one trust cannot transfer assets to another trust.

I want to ask something that is very important to me. I was under the impression that now, before this legislation is passed, trusts could not dispose of an asset by transferring it to another trust without incurring capital gains. Perhaps this is a loophole it is closing but I was under the impression this was not possible and any kind of transfer of asset would call the deemed realization. It would be as if it were sold, capital gains would come into play and it would be taxed.

Not only are trusts taxed but the trusts that are set up by someone who is alive, that is not an estate trust, are taxed.

• (1110)

Any incomes they have are taxed at the top rates. They do not have the graduated rates. Only estate taxes would be taxed at the graduated rates. That is where a trust was set up at the behest of someone who has passed away.

I am extremely anxious to go through this bill and ensure that everything being said to us is really included in it. It is going to a very long and difficult process. I worry that it is going to be rushed as with everything else that happens in this House. We wait and wait to introduce a bill and then we bring in closure. We say "we absolutely have to have this bill today. We cannot go five minutes past this time". Even though it was introduced in the February budget and here we are at the end of February 1993, a full year later, this government will come and say: "Rush, rush, rush, we have to have it".

Again it is a question of trust. Why would the government wait so long to introduce a bill such as this if it contains only good things? It would not even have to worry about rushing people if the bill is as good as it is reported to be.

The government could and I am sure members of a committee would be quite happy to facilitate the discussion and hurry the bill through if it is as good as it says it is.

The government waits and waits. The first reading of this bill was on November 26, 1992 and the changes were introduced in the budget of February, 1992. The government will say we did not sit during the referendum.

We could have sat during the referendum. There was nothing preventing us from sitting here in the House of Commons, one, two or three days a week. Perhaps we could not have sat full time but we certainly could have spent more time looking after the affairs of the nation during the referendum campaign. The opposition would have been willing to spend some time in the House of Commons during that time. Of course we do not say what happens in this House. That is always in the hands of the governing party. In this case it is in the hands of the Conservative government.

Why did we wait so long? Please do not bring in closure. Do not rush this bill through committee. Just recently I had the opportunity of sitting on a committee where exactly the same thing happened. Rush, rush, rush, we had to have this bill out of committee within two days. There was next to no time to hear witnesses. We had to cut back on everything because we were in a big rush and had to hurry up and get the bill through. The government wanted to bring in closure and ram everything through because, as the government says, it controls everything.

If this bill is the bill the government says it is, then do not rush it through. We should be given the time to really study some of the clauses in here so we will know exactly what the effects of them are.

At times there are many things we wonder about. We wonder whether we should be going ahead with some of these tax cuts in light of what has happened with the provincial governments. Maybe we should question that. It may be too late but these are things we really have to consider. We cannot act independently as if we live in a vacuum here in Ottawa. Many things happen across the country while we stand here deliberating or sit here listening.

We must work in tandem. I say this over and over again. I have worked as an accountant most of my life and have been involved in the financial aspects of many organizations, including municipal governments. I have always been very conscious that debt is a bad thing. When I was at the municipal level I helped bring in some policies which really enhanced the position of our municipality. These kinds of problems are really near and dear to my heart, but I insist that this level of government stop behaving as if it were the only one.

Recently this government announced it would freeze grants in lieu of taxes to municipalities. The municipalities really count on these grants in lieu of taxes. The government is going to freeze them to the same rate as they were in 1992.

Mr. Speaker, if you are sitting here by yourself and not worrying about what happens around you, you might say: "Well, it is not so bad. You know, it would not be that bad. I mean, we are cutting back expenditures", but municipalities are facing not only cutbacks from the federal government, but cutbacks at the provincial level. The municipalities have nowhere else to go. A taxpayer is a taxpayer. He or she is a Canadian.

We can cut back and say: "Look at the good job we've done managing our debt". Meanwhile the municipalities are burdened with these excessive taxes and responsibilities which many of them are going to find more and more difficult to meet. Have we then done our best for the people of Canada?

I would say to you, Mr. Speaker, we have not. We must work in tandem with all other levels. I cannot stop talking about what has happened in Ontario and British Columbia and will continue to happen probably in other provinces. As soon as we give one group a tax cut which it asked for and desperately needs, another level moves in. If we cut back on transfer payments then the province has no choice but to cut back to the municipalities or cut spending.

Ontario obviously has not cut spending despite the allegations of the treasurer of Ontario that its deficit would be under $10 billion for the year. I am saying deficit. That is only for one year, ladies and gentlemen. A deficit is the amount spent over and above what is raised in taxes.

I read just recently that the province of Ontario is looking at a deficit in the neighbourhood of $13.9 billion. I say to you, Mr. Speaker, shame. I think it is absolutely a horrendous amount of debt to add to the already heavily burdened people of Ontario and Canada because everyone pays, not only the people of Ontario. It affects the economy across the country.

I know the government consults with a lot of people from single interest groups. They say: "I want, give me and let go of the other ones". The government should consult not only with these single interest groups, because we must consult with everyone, but with all Canadians and other levels of government to ensure that whatever is brought forward in the next budget we do not have the kind of scenario that is happening now.

The debt is the debt of all Canadians, whether it is held at the federal, provincial or municipal level. One may say: "Well, municipalities are not allowed to run deficits". No, they are not, but they do borrow for capital projects. Many municipalities have borrowed quite heavily for municipal capital projects. I think it is important to remember that.

We can no longer afford to behave as if we are one level and the others do not count. We have to sit down together and work together to solve this economic crisis.

I want to thank you, Mr. Speaker, for being so patient with me. I will say to you in ending that I wish it were different. I wish I could trust this government and believe everything it is saying, but I must respond and say this government has lost the faith of all Canadians. Therefore I cannot support this piece of legislation at this point.

• (1120)

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, we were just treated to a delightful rendition of what is wrong with the Liberal Party as far as trying to figure out where it stands on things. The member who just spoke with respect to the private family trust tax changes began by praising the minister for making it absolutely clear that what the NDP had said about these tax changes was not true. She then went on to say that she did not trust the government and that she had some doubts herself about whether this was an appropriate change to this legislation.

Whatever your position, if you are with the government you had something there that you could take from the Liberals and run with; if you are suspicious of the government and do not trust these changes, you also had something that you could go with. This, of course, is characteristic of what we see time and again from the Liberal Party when it comes to this issue as well as many other issues. I am thinking particularly of this but there are many other examples such as the North America free trade agreement and the Canada–U.S. Free Trade Agreement, and the need to abrogate the one and not get into the other.

Bill C–92 is a bill about tax changes. I would like to speak to what is in the bill. I want to concentrate first on the whole question of the changes to the tax laws affecting trusts. Changes to the legislation concerning the taxation of private family trusts were first proposed by the Minister of Finance in draft legislation on February 11, 1991. Despite considerable criticism from the professional community, these changes were then included in draft legislation of technical amendments, released in December 1991. The legislation was introduced into the House by notice of a Ways and Means motion on June 19, 1992.

Current legislation covering private family trusts goes back 21 years to the 1972 tax reform when the federal estate tax was eliminated and the capital gains tax was introduced. This change left a potentially enormous tax loophole. Capital gains taxes are levied only when gains are realized, usually when a property is sold or at the time of death. Because trusts never die, this meant that private family trusts could entirely escape paying taxes on assets held within the trust. So the Liberal government introduced a 21-year rule which required that private family trusts would be assessed capital gains after 21 years and pay tax on their increase in wealth. Income tax is, of course, paid by the beneficiaries when property is distributed to them from the trust.

No capital gains tax has ever been levied under this 21-year rule. All private family trusts which existed on or before 1972 would be subject to tax for the first time in January 1993.

The government is now proposing to essentially eliminate the 21-year rule. Trusts would be allowed to defer the 21-year rule until all the exempt beneficiaries have died. An exempt beneficiary can include a child, spouse or parent of the trust settler, but not any individual of generations subsequent to that of the child. This means that a trust set up for a young child today could go tax free until that child died, which could be 80 years from now. It means that the billions that are presently sheltered in private family trusts will not have to be subject to tax until the last exempt beneficiary dies.

This constitutes a tax loss of billions of dollars. While trusts will be allowed to accumulate wealth tax free for many more decades, the government will be deprived of those revenues to reduce the debt and the deficit.

What are private family trusts? One thing on which I would agree with the Liberal member who spoke earlier is that there is a great deal of confusion and uncertainty about this whole issue and that it is sometimes difficult to understand. I would like to take the House through it in so far as I can and explain how I understand this issue.

What are private family trusts? A private family trust is a legal instrument used to pass on assets to the beneficiaries of the trust who are often the spouses, children or grandchildren. Even a simple private trust I am told costs thousands to set up. I would not know because I do not know anybody who has one.

How much in assets are held in private family trusts? There is almost no public information available about the amount of wealth held in private trusts. Tax privacy laws prevent Revenue Canada from providing information about any single trust, and this is probably as it should be. It also does not provide any information about the aggregate amount of assets held in private trusts.

This would certainly be useful information for the public and for Parliament in particular when we are trying to debate this kind of issue. We do not really know the amount of money that we are talking about.

Sources in the financial industry have estimated the total value of assets held in such trusts at $70 billion. This estimate seems fairly reasonable as it represents only 3 per cent of the $2.4 trillion in total assets held by persons and unincorporated businesses in Canada.

The member before me referred to NDP householders that cited this $70 billion. We are certainly not suggesting that there is $70 billion in revenue to be garnered by the government. The $70 billion figure is, as I have said, an estimate of how much money is tied up in these trusts.

What are some examples of private family trusts? Again, we are not really able to say because tax privacy laws prevent information being released about any individual trust. I am told that court records show the trust established for instance by Mr. Bronfman for his daughter had a value of $70 million in 1969.

That is the trust that is referred to in the literature that was quoted by the hon. member previous which would have a value of over $600 million if it had been kept in very conservative investment since then.

How much tax revenue will the government lose from this change? With so little information available, it is difficult to estimate just how much tax revenue the government will lose. A very cautious estimate demonstrates what potential revenue is at stake.

If only 1 per cent of the $70 billion in trusts was subject to tax next year, a marginal tax of 30 per cent would raise over $200 million. That is not to be sneezed at, especially when times are tough.

What do trust tax professionals say about this change? "There is no question that it represents a massive windfall for existing trusts." This is from Sydney Goldstein of Goldstein and Goldstein, Ottawa.

Another quote from Katherine Bush of Blake Cassels: "A cynical person might suggest that pressure from influential political supporters also should be listed as a reason for the draft legislation".

From Neil Brooks, the Associate Dean of Osgoode Hall Law School: "The government has given Canada's wealthiest families notice that it intends to give them a gift worth several billion dollars".

From Arthur Drache of Fraser and Beatty: "If legislation now before Parliament is not passed before the end of the year, thousands of trusts could be hit with massive tax bills".

Why is the government proposing this change? The government argues that these changes are necessary for a number of reasons. First, it has argued that the existing 21-year rule might interfere with trusts established by parents for the benefit of their disabled children.

Exploitation of the needs of disabled children is immensely cynical and makes little sense in this context. Anyone structuring a trust for a disabled child would design it so that the child had an ongoing income and not a lump sum payable at some point in the future as would be the case with most of the trusts affected by the 21-year rule.

As tax lawyers Sydney Goldstein and Katherine Bush have argued, if the government was really concerned about the needs of disabled kids a better solution would have been to declare a special exemption for the disabled. This argument about the disabled is just so much political cover with the government grasping at some compassionate looking straw in order to justify what it is doing for other reasons.

Second, the government has argued that unless the rules were changed some trusts may not be able to pay the taxes without the selling of assets, perhaps including a controlling block of shares in a private company.

• (1130)

This argument has some validity but it still falls short of the mark, it seems to me. Private trusts have had a full 21 years to plan for this tax, much more than ordinary taxpayers get. Besides, taxpayers in this situation could still utilize the $500,000 small business capital gains exemption to avoid selling assets.

The government says it is closing a loophole with this bill by preventing rollovers from one trust to another. It is true that a clause in this bill does close a potential loophole and we support this, but it does not mean that the government is justified in creating another massive loophole. There are other ways that this could have been dealt with.

Why was the 21-year rule set at 21 years, you might ask? The period of 21 years was apparently chosen in order to be consistent with trust tax law and to be consistent with the then current age of majority.

Will not application of the 21-year rule be hard on widows who do not have funds to pay tax, for instance, on income producing real estate held in a trust? Although it may be onerous for the beneficiaries of some trusts to pay taxes in one shot after 21 years on their capital gains, there is a provision to pay taxes from a 21-year deemed disposition in up to 10 annual instalments in subsection 159(7) and 159(6.1) of the act. This will provide some relief for trust beneficiaries with modest incomes who do not wish to dispose of the asset at this time.

Again, I repeat, it is not uncommon for Canadians of all walks of life to experience difficulty in paying their taxes. Why this particular difficulty should be addressed when the difficulty of so many ordinary Canadians in paying their taxes is not taken into consideration at all is what mystifies us.

Twenty-one years is an arbitrary amount of time. Do these changes not make trust tax more consistent with the taxation of capital gains which is only collected upon disposal or death of recipient? People might ask this question about our position on this legislation.

It is true that the 21-year rule is an unsatisfactory and relatively arbitrary rule which is inconsistent with taxation of capital gains and was probably designed to fail. It is not hard to imagine that when the Liberals brought this in in 1972, they at the same time figured that at some point the very people who were concerned at that time would bring concerns to them in the future and have this changed. If the aim is to make trust tax more consistent with capital gains tax then realized capital gains should be taxed when the trust settler dies as well as when the last beneficiary dies. However, such a change would eliminate many of the tax advantages of setting up family trusts.

In addition and perhaps more important, all the substantive changes which affect the taxation of private family wealth have allowed substantial tax breaks because they have not been retroactive. Change may be needed to improve poor legislation, but why have the transitions resulting from the changes always allowed big tax breaks by grandfathering?

Financial officials argue that there will be no revenue loss because if these changes do not go through, most trusts will dispose of their assets through rollovers or other mechanisms to avoid the tax anyway. Is this true? This is a hypothetical argument because these measures may or may not be easily available depending on the type of trust, but just because there are avoidance mechanisms does not mean that the government itself should roll over and play dead by opening up a big loophole.

Instead, the government should use the anti-avoidance provisions of the tax act or act to close these loopholes. It is not enough to simply argue that these people will find other ways not to pay taxes. That may be an unfortunate truth about our tax system, that a certain class of people will always find a way not to pay their taxes and that lawyers will always find ways to exploit whatever changes are made. However it has more to do with original sin than it has to do with tax law and has more to do with lawyers than it has to do with tax law. Surely the government could find some way to address these problems without simply conceding defeat in the manner in which it has in this particular bill.

Financial officials say that trusts are not used to avoid tax because in many instances there are measures that individuals can take outside setting up trusts to only pay capital gains taxes when an asset is sold or upon death of the owner and therefore avoid the 21-year rule. How valid is this argument?

Trusts provide many advantages that these other mechanisms could not provide. If the 21-year rule is so onerous and inequitable compared to other mechanisms, why would thousands of people who have set up trusts since 1972 and before these changes were proposed, if the existence of the 21-year rule presents such a tax disadvantage? This argument defies common sense and the logic of our experience with this particular provision.

I hope the hon. member in the Liberal Party had an opportunity to listen to what I said. Perhaps I have helped to clarify the situation for her. For all these reasons the NDP has tried consciously to bring attention to bear on this particular change. We think it points out the basic moral flaw in the government's approach to deficit reduction, that not all Canadians are being asked to bear the burden of deficit reduction equally and that some Canadians have a special access to the government, that they have the ear of the government with respect to their particular tax problems.

In this case we see that those who have had a concern about the 21-year tax rule have successfully gained the ear of the government and have had this exemption extended by virtue of the legislation we now have before us in the form of Bill C-92.

We take offence at that because we think this simply illustrates the larger picture of how this government has proceeded with respect to tax reform. Tory tax reform has meant more taxes for ordinary working Canadians, for low and middle income Canadians, and has meant special breaks for big business and for wealthy individuals. This particular measure we are debating today says that louder than any other particular measure this government has taken.

I would like to speak to some of the other elements in the bill. One thing that struck me, again talking about the capital gains tax but in another context, is the elimination of the $100,000 capital gains tax exemption with respect to real estate and leaving it in place for equity investments.

We are not in favour of the $100,000 capital gains tax exemption in any event, except of course with respect to the question of principal residences. We continue to favour the larger capital gains tax exemption with respect to the sale of farms, for instance.

However, there may be a way in which a lot of ordinary Canadians have been blind-sided by this particular change. It is not something that I think there is a particular policy on within the NDP, and I have not heard anybody else raise it for that matter. For a lot of working Canadians that I know the only other investment they have in their lives apart from their principal residences may be their summer homes, their cottages at the lake, and this particular bill subjects the sale of their cottages to a capital gains tax.

I wonder whether that is what the government really intended. I know that it has received a great deal of mail on it from cottagers and it has not seen fit to change the bill. It strikes me as unfair within the larger context of our tax system.

• (1140)

If we are not going to treat all capital gains equally and if we are to leave equity investments alone so that people can invest in business, make money and not have it subject to capital gains at the same time as dinging a whole lot of ordinary working folk whose only other investment in life might be their summer cottage, there is an inequity that ought to be addressed either by trying to treat all capital gains more equally and not making exemptions which create injustices by leaving some things taxed while other things are not, or by considering this one particular problem a lot of people have and finding a way to give a tax break to people who are not speculating in recreational real estate.

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member but his time has expired.

Mr. Blaikie: Mr. Speaker, I rise a point of order. Due to the length of time the first two speakers for the other parties had, I wonder if might beg the indulgence of the House to have a few more minutes to finish my remarks.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to extend the time of the hon. member?

Mr. Danis: Mr. Speaker, we have no objections to giving a few more minutes to the hon. member. However we would not want that to be seen as an indefinite time. I am sure he gets the message.

The Acting Speaker (Mr. DeBlois): Some minutes for the hon. member.

Mr. Blaikie: Mr. Speaker, of course you realize that when the time is extended it is indefinite, but I will not take advantage of the House. I just have a few more things I want to say.

I want to finish up my point about the way in which the particular capital gains tax change in this bill affects a lot of people in my riding, for instance those who have cottages and who are very concerned about it. When we stack that up against the break the government is giving to people with these large trusts it is pretty hard to defend and I have no intention of defending it.

There is another thing I feel I must respond to. The member from the Liberal Party, obviously not wanting to take too much time to elucidate Liberal Party policy on these matters because there tends never to be any, spent a lot of time attacking the NDP. It seems only just, in the course of natural justice, that I should be able to respond to our accusers.

The member did something which I think is typical of people who have been critical of our over-all approach to tax reform and deficit reduction, particularly when it comes to eliminating the GST, and that is to pick one thing we have listed as a total package that should be brought in to replace the GST and say: "This is not going to replace the $15.4 billion or $15.6 billion that the GST brings in".

The Liberals do not like to talk about the GST, except in the context of the NDP, because they do not have a policy for how to replace the GST. They had one for about 48 hours when they were considering the business transfer tax and a tax on groceries, but that has been deep-sixed. Now we are just supposed to wait until a Liberal government is elected and there will be consultations. Then we will find out what will replace the GST.

We have come forward with a plan for replacing the GST and it is a multifaceted plan. As the member rightly recognized, no one measure is going to replace all that money. But when we consider a number of loopholes that could be closed and the economic growth that could be generated by the elimination of the GST and by other measures to stimulate employment and therefore raise revenues and take people off welfare and UIC, when we consider the expense the GST is to the government both in terms of the cost of collecting and the money the government pays in GST, it all adds up. We believe it is sufficient, along with some of the other tax changes we have proposed, to cover the cost of eliminating the GST.

I have raised a couple of things in the House time and again that I can never get any answer to. In fact whenever I raise these things it is as if I am in the Bermuda Triangle of Parliament. I asked the Minister of

Finance a question about a specific tax loophole and he answers a question I have not even asked. I cannot get him even to acknowledge the content or the substance of my question. This happened to me just last week after President Clinton had made his statement with respect to tax reform and I asked the Minister of Finance if he would consider eliminating or reducing the business entertainment tax deduction. Many times before I asked him to do so and he or his predecessor has always risen and said that we have to stay competitive with the United States, that we cannot do that.

Now that the United States is looking at eliminating that particular exemption, I thought this might be an opportunity for the Minister of Finance to reflect on whether or not Canada could now move in this direction and collect some of that $1.1 billion forgone in revenue every year as a result of that particular tax loophole.

What did the minister do? He got up and said: "I know what the NDP wants to do. It wants to get rid of the $100,000 capital gains tax exemption for small businesses". Does this have anything to do with what I asked, anything at all to do with what I asked? Absolutely nothing.

I guess we know our place. The Minister of Finance stays and listens to the Liberals respond to his speech but when members of the NDP get up he takes off. The Liberal member said all those nice things about the Minister of Finance and how he cleared up all the misgivings about the trust tax exemption. It is no wonder he stayed to listen. He probably felt good. He did not expect to feel so good when NDPers got up.

There are ways in which the GST could be eliminated. We have laid them out in a paper we are making available to Canadian people. We would finally like to have a policy debate in this country, not just speculation about who is who in the polls. We would like to have a debate on just exactly what are some of the possible solutions to our problems.

With that, I will not abuse the good will of the House any more and I thank hon. members for their attention.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I heard many things during that speech but one thing struck me and I want to know exactly where the NDP stands on it.

The member spoke about how their party was against the $100,000 capital gains exemption being given to Canadians but then he said that he really wanted the capital gains exemption to be in place for people who own cottages. Now that it is being cancelled he would like it to stay in place, because in the past if one owned a cottage and sold it one could use up some of the $100,000 capital gains exemption. This particular piece of legislation closes that loophole.

I thought I overheard the member say that he really wanted the $100,000 capital gains exemption in place. Does that mean that he really approves of the $100,000 capital gains exemption, or what? I would like that clarified because in my mind the NDP has not been in favour of the $100,000 capital gains exemption. I believe it was in favour of the $500,000 capital gains exemption on sale of family farms and those kinds of things, but I did not think it was in favour of the $100,000 capital gains exemption. I wonder if he would clarify that point for me.

Mr. Blaikie: Mr. Speaker, I am quite glad to answer that question. One of the peculiarities of the rules of the House—perhaps it is something we should look at, at some point—is that the first speakers for the government and the Official Opposition do not get questioned on their remarks but we get questioned. We welcome the questioning because we like to make clear what we are saying.

I am sorry the hon. member misunderstood me. The point I was trying to make was that what the government has done with respect to the $100,000 capital gains tax exemption was take a measure which we were critical of, as she rightly pointed out, and make it in some senses more unjust.

• (1150)

It has changed it from a policy we object to in principle to a policy we object to in practice because it is so selective with respect to who benefits from it and who does not.

Traditionally, we have been more in favour of capital gains taxes than any other party in this House. That is not a secret. We have always been willing to make exemptions where we thought it was just. Certainly the exemptions we always defended had to do with the family farm and principal residences.

I am asking the government to consider, as I am asking others who have policies with respect to capital gains tax, whether or not the blind siding of the family cottage in this recent change is against the spirit of the kind of exemptions the NDP has always defended when it comes to family property.

Maybe that cannot be done. I do not know. In the context of what is now exempt and what is not, it strikes me as unfair that people have to pay that kind of tax on the family cottage when people who are making equity investments and other things the government regards as economically productive do not have to pay that kind of tax.

As with so many other things let us have a system which treats everything equally as much as possible. If we are to get down to picking and choosing what is exempt and what is not, I am simply saying that when we consider what is exempt, including family cottages strikes a lot of Canadians as unfair. I cannot blame them for seeing it that way.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to ask the previous speaker a serious question. I cannot believe what I heard could possibly be the truth. I want to seek clarification.

I understand by listening to the hon. member that back in 1977 the Liberal government of the day introduced legislation to give a special tax break to the wealthiest families of Canada. The assumption was that not paying taxes would allow them to make other investments and therefore help other folks indirectly. It is commonly known as the trickle-down theory or what I like to call the tinkle-on theory.

That was introduced by the Liberals. For years and years the wealthiest families in Canada were able to benefit from it. This is what I am hearing. This tax provision was to expire in 1993, but the present government has decided this should not be stopped now. This incredibly lucrative tax gift loophole to the wealthiest should be extended for a period of time.

The government wants to extend it until the person in whose name the family trust is arranged dies or, in other words, for an entire generation for the wealthiest people of the country. I am sure people listening to this debate cannot believe this is accurate.

I want to ask my hon. friend who obviously has studied this bill carefully and knows the provision we are discussing if this is actually true. Have the Liberals, followed by the Conservatives created the ultimate crass tax loophole where the only beneficiaries will be the very wealthiest people of Canada?

Mr. Blaikie: Mr. Speaker, it is true. The hon. member for Kamloops points out that there has been a certain kind of collaboration between the Liberals and Conservatives on this issue as there often is when it comes to legislation or policies which benefit the corporate elite in this country, either institutionally or individually. At a certain point there is very little difference between the Liberals and the Conservatives. There may be a kind of feigned difference from time to time for electoral purposes, particularly when it comes to the Liberal Party. It likes to sit a little to the left of centre prior to election time to help give the impression of being an alternative to the Conservatives. But when push comes to shove on the free trade agreement, NAFTA, the trust tax exemption and a variety of other issues there is no difference. The record speaks for itself.

To those Canadians who find the extension of this 21-year rule offensive, not once was the existence of this exemption and the legislation to extend it raised in the House of Commons by a Liberal member. Not once did this matter cross the lips of a Liberal member until today when the legislation was before us almost as a *fait accompli*. Even then the member who spoke praised the Conservative Minister of Finance for clearing up all the misleading information that the NDP has allegedly been spreading in its householders about this particular legislation.

What more could we ask for in terms of helping us understand who is who, and on whose side particular parties are in this country? It was clear today when there was this sort of—I am trying to think of a polite way to describe the relationship between the Liberal member and the Minister of Finance—cosy mutual admiration society when it came to putting down the NDP version of what is going on here.

I can tell you what is really going on. The Liberals and Conservatives, and not for the first time in Canadian history are once again joining forces to make sure the people with money who really run this country are looked after.

Hon. Herb Gray (Windsor West): Mr. Speaker, in rising today to speak on second reading of Bill C-92 I have to begin by saying this bill, as presented by the government is an example of how the Conservatives approach governing and the public process. They do so in a way that can only create cynicism and distrust for themselves and, unfortunately, for large parts of that process itself.

If you look at this massive bill you can see that within it are measures that can justify a large degree of public support and I am going to talk about some of them. But there are other measures, the 21-year trust rule in particular, for which the government has not made a case and for which one cannot in my view make the same arguments for public support.

In the Liberal emergency program for economic renewal that we announced in January, 1992 the Liberals called for a change in the law so people could use their RRSP funds toward down payments for homes. The obvious purpose was to encourage the building of more homes and help give a kick-start to the economy. For that purpose we also called for the allowing of a lower down payment for homes.

In this emergency economic renewal program the Liberals called for the creation of an immediate major national infrastructure program. The federal government, together with the provinces and municipalities would provide funds to enable our towns and cities across this country to immediately begin thousands of projects of renewal of national and local infrastructure to improve sewage, water and pollution control systems, roads and bridges. The projects would repair and improve the fabric of our country as a way of contributing to the improvement of our over-all competitiveness while at the same time put thousands of people back to work.

• (1200)

In the budget of February 1992 we saw that the government had accepted some of these Liberal proposals. It said it would ask Parliament to amend the law to allow the expenditure of RRSP funds toward the purchase of new homes, thereby encouraging a renewal of active home building in this country. The budget statement also said the government would allow the lowering of down payments for homes.

Other things we had proposed in our emergency economic renewal program should have been in that budget but unfortunately were not. The budget did not include a national infrastructure program. If that program had been set out in the budget of February 1992 it would be well under way by now. Tens of thousands more people would be working than is the case today, on projects of renewal of infrastucture in towns and cities across this country. Thousands more people would be working to produce the raw materials and equipment needed to carry out these projects of community works and infrastructure renewal.

This has not happened because the government absolutely refused to include in its budget of February 1992 the kind of national infrastructure program and national community works programs we called for in the emergency economic renewal program we announced in January 1992.

In the December economic statement the government adopted some of the language but unfortunately not the substance of the kind of infrastructure program called for by Liberals in their economic program of January 1992. Liberals talked about it back in 1988 in their election platform.

In the December economic statement the government talked about bringing forward certain projects that had been discussed for many months previously, programs that might have been undertaken earlier but about which nothing had been done such as the expansion of Pearson airport. Another example is the upgrading and renewal of highways in Atlantic Canada and in particular New Brunswick.

The other day we saw an announcement by the Minister of Transport that runways would be extended and added at Pearson airport. However, there is no date for the commencement of that work. More startling still, there is no indication of where the funds would come from to enable that expansion of runways at Pearson airport to be carried out.

When it comes to the very necessary renewal of highways in New Brunswick, as far as I can recall there still has not been any final agreement to move forward on this project. There has been no final agreement by the Conservative government to provide adequate financial support to the provincial government of Premier McKenna. When it comes to the projects talked about in the December economic statement, as far as I am aware

not one of these projects has actually gotten under way in the sense that there are shovels in the ground, cement being poured and more people working.

If, even in December, the government had adopted the Liberal program of community works, by now many of these projects I have talked about that communities have on the shelf across this country would be under way with people working. Instead they are condemned by the Conservatives to nothing more than the unemployment line, the welfare line and the bread line. Our towns and cities across this country have thousands of projects on the shelf which have been developed and have had environmental reviews, but cannot be proceeded with because they do not have the funds. If we had had a community-based program, as I have already said, then there would have been people working, projects would have gone ahead and the recovery from this Conservative induced recession would be a lot further along a lot more vigorous and a lot stronger than is now the case for many months to come.

The government, in this bill, is trying to implement some tax cuts it talked about in the budget statement, but these tax cuts are extremely modest to say the least. That is why, in replying to the February budget, I talked about these tax cuts being such that the Minister of Finance could be described as two-buck Maz for all they amounted to for the ordinary citizen in this country.

These tax cuts do not even begin to offset the more than 36 tax increases put into effect by this Conservative government since it took office in 1984.

We know that the average middle income family has been hit by close to $2,000 in tax increases by this Conservative government since 1984. By the way, to the extent that there are some very modest tax reductions in the February budget that this bill is supposed to put into place, these have likely been largely wiped out by provincial tax increases unfortunately. These tax increases have been caused by the cutbacks such as the capping of transfer payments by this Conservative government to the provinces and the cutbacks in amounts that would otherwise go to maintaining adequate standards of education, medical care, health care and other basic provincial services.

This Conservative government, in offloading its responsibilities to the provinces, has caused them to either cut back in services or increase their own taxes, or both, in a way that is certainly unfair to average Canadians but can be attributed in terms of blame directly on to the shoulders of this Conservative government.

One of the proposals in Bill C-92 is to extend the rule with respect to certain trusts and the exemption of the assets in these trusts from capital gains tax, which was a rule that was initially to be in place for 21 years.

If one studies the history of this measure in Bill C-92, I think one will see something very questionable and suspicious about the way this government has proceeded. This measure, the extension of the 21-year rule, was not in the budget of February 1992 that this Bill C-92 is supposed to implement.

The measure instead was announced by itself in a press release that came out in February 1991 that at that time received very little attention. As I have said, it was not mentioned in the February 1992 budget but it is found in this Bill C-92 which is supposed to be for the purpose of implementing this February budget. It is presented in a way that buries it behind the many other measures in this Bill C-92. Some of these I have been talking about and deserve a measure of support.

When one looks at the press release that the government issued at the time it tabled the Ways and Means motion, which is the basis for this Bill C-92, one will see something rather peculiar. This press release, entitled: "The Explanatory Note for the Notice of Ways and Means motion" talks in brief about the terms of the budget measures which the Ways and Means motion includes and says that it is for the purpose of implementing the budget of February 25, 1992. It then goes on to say that the Notice of Ways and Means Motion also includes a large number of income tax measures: "primarily of a technical nature which were released to the public in draft form on December 20, 1991 and in a number of other releases over the last year". Presumably, in this case, this refers to 1992.

• (1210)

There is no reference whatsoever to this complex and potentially far-reaching proposal to extend beyond the initial 21-year period the special rule regarding the taxation for capital gains purposes of the assets in certain kinds of trusts.

Why was this was not mentioned? What is the government trying to hide here? It did not refer to this proposal in the budget, it did not refer to it in the press release describing the Ways and Means motion. This proposal that was first mentioned in a separate release in

February 1991, turns up in this Bill C-92 hidden behind dozens of other measures.

If this trust proposal had been in the budget, I submit that it would have received a lot more attention and scrutiny. If this measure had been in that budget—I am talking about the budget of February 1992—the government would have been obliged to set out information on the revenue effects of extending this rule.

The Minister of Finance has not in the press release of February 1991 or in the notice accompanying the Ways and Means motion and not even in his speech today, if I am not mistaken, given any information whatsoever about how much revenue the government would obtain from taxing the assets in these family trusts if the 21-year rule is not extended. No information is been provided about how much revenue is being lost to the government by extending beyond the 21-year period these special provisions for family trusts.

Surely this is a basic, fundamental and necessary piece of information in order for Parliament and Canadians generally to make up their minds on whether this measure is in the public interest. In the absence of that information, I do not see how this measure can be supported by this House.

We tried to get this information directly from the Department of Finance. It could not or would not give it to us. As I said, by not having it in the budget, it was not set out as was the information about the tax implications of all the changes in the February 1992 budget.

Why has the government not done this? What does it have to hide? Does the government expect us to believe that it did not consider this aspect, that it did not work it out in deciding whether or not to proceed with this measure? The information is there for the public to look at, although sometimes it is hard to obtain. It is there on all the other proposals in this bill but it is missing when it comes to the extension of the exemption for capital gains purposes of assets in these family trusts.

Why is this? The government is certainly giving the appearance of trying to hide something. It gives the appearance of trying to sneak something through and avoid full and proper scrutiny.

The government is not acting in a way which deserves the trust and confidence of this House or the Canadian people. We need to know the tax implications of this measure. As I have said, without it I do not see how this measure can be supported.

The government has not made the case it must make in order to command the support of the House for this measure. That is so even though it is contained in a very large omnibus bill that may have in it other proposals that deserve to one degree or another the support of this House and the public.

By proceeding in this way this Conservative government has tainted all of Bill C-92. We are talking about a basic question of fairness to people who have not been able to avail themselves of these family trust provisions, to ordinary taxpayers who have had their taxes raised some 36 times since this Conservative government has come to office, to unemployed people who are having their unemployment insurance benefits and their eligibility for these benefits cut by this Conservative government and to Canadians who are not getting the levels of services from their provincial governments they deserve because of cutbacks in transfer payments to the provinces by this Conservative government. On the basis of fairness the government should have given us answers and it has not done so.

We have heard also about the changes in the capital gains exemption in this bill. The government has not explained why it has changed this exemption so that people have to pay capital gains tax on their cottages, but others who are able to trade and make capital gains on foreign stocks or bonds still have that full $100,000 exemption.

I say again that this government is proceeding with Bill C-92 in a way that invites cynicism and suspicion. Certainly on that basis I do not see—whatever else there may be in it that is worthy of support—how the bill as a whole can be supported. What we need more than anything else is an election to have a new and better government for this country. I say that it will be a Liberal government.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I would like to take this opportunity to congratulate my colleague on his remarks concerning Bill C–92.

I honestly believe that he is absolutely right that Canadians no longer believe that this government is always being open and fair in its information insofar as it will tell us or disclose exactly what it is doing.

We tend to be faced with a large amount of what I like to call bafflegab or creative accounting in some instances that leads us all to worry and to feel as if somehow there has been a sleight of hand and that we have no idea really what is going on.

Many of the provisions of this act would obviously hurt certain ordinary Canadians. As my colleague mentioned the removal of the capital gains exemption on family cottages. For many people that is perhaps the total amount of their savings. When they sell this they can no longer claim that first $100,000. It is hitting a lot of average Canadians.

Let us be fair. Most wealthy Canadians have had the opportunity to claim that $100,000 exemption already. This particular kind of clause does not affect the wealthy Canadians. It affects the average family groups and Canadians who may have a cottage that they have held in the family for maybe 20 or 30 years and it will cost them dearly. On the other hand, others may be able to apply for this exemption. Perhaps my hon. colleague would like to add to this.

Furthermore, I made the point that this government must start co–operating with other levels of government and not just act as if it is in a vacuum and the problems that are faced here are not faced at other levels. Perhaps the hon. member would like to add to these particular points.

Mr. Gray (Windsor West): Mr. Speaker, I think my hon. colleague has made some very useful points. The government operates in such a way that even when it says it wants to help the ordinary person, it ends up by giving the ordinary person the back of its hand.

I do not think that ordinary people who wanted to see the wealthy bear a fair share of the tax burden expected that in responding to this concern they would find the government saying that they had to pay capital gains on the family cottage. At the same time they did not expect to see large family trusts under the guise of being dealt with more fairly being put in a situation by the government whereby it is quite possible that amounts that otherwise should be liable to tax would not have to face tax.

• (1220)

As I have said, even when this government claims to be operating in a way that restores a greater degree of fairness to the system, when you get beneath the surface it is found not to be doing that at all.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I listened with interest as always to the speech by my hon. friend from Windsor. I want to ask a question of the hon. member, who was presumably intimately involved in 1977 when this provision in the tax law was first introduced, the 21–year exemption. I direct this question very seriously. I am not trying to make a political question out of this, but a serious fact finding mission.

I stand to be corrected, but it is my understanding that when this provision was introduced it allowed wealthy families to place money in trust that would not be taxed until the 21–year period had expired. I would call it a 21–year tax loophole or tax break for, again, some of the wealthiest families in Canada. They would be the obvious ones who would take advantage of this.

Is it what I say it is? If so, how does my hon. friend say it was justified at the time? It seems to me to be such a boondoggle but there must have been some serious logic behind it when it was introduced in 1977.

Mr. Gray (Windsor West): Mr. Speaker, I am sorry that I cannot assist my hon. friend to the extent he would like because I was not a member of the cabinet in 1977 and I was not as closely connected to the subject as I might otherwise have been.

The issue we have to deal with is what do we do now? Whatever justification there may have been for an initial 21–year period, I submit the government has not made the case it should have for its extension. I presume that those people who availed themselves of this 21–year rule did so with the expectation that at the end of that period the tax would apply. Again, as I said, the government has not made the case I think it should have.

I think the issue today is what we do in light of the expiry of the initial provision. I only repeat that the government has not made the case it should have in order to deal with something which could have quite far–reaching consequences.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I would like to thank my colleague from Windsor for his contribution to this debate. It seems to me that from an historical perspective as he alluded, we have to go back to the Carter royal commission that the Liberal government set up in the 1960s when they tried to treat a dollar as a dollar. Part and parcel of that was giving some people a chance to adjust to this concept.

Of course there were tremendous battles against the Conservatives in the late 1960s and early 1970s to make taxation more fair and perhaps giving a lenient period of time for a number of families to adjust to the new taxation system. As my hon. friend has pointed out very appropriately, we have now reached the point where families with large amounts of money have had an opportunity to adjust. The time has come now to make capital gains a part of the over-all taxation system.

I would like to ask the member from his experience in opposition and in government to perhaps comment on the concept of a dollar is a dollar for taxation. There are a number of issues facing us as Canadians with the high rates of taxation. It seems to me that in the discussions we had on the child benefits package, the government was quite delighted to point out the fairness of targeting people and to make sure that only those in need received it. On the other hand we have this quiet piece of legislation which the Official Opposition has been very vociferous about and very determined. The government has backed away from this principle of allowing taxable dollars to flow into the system appropriately and to be taxed as it is for other families. I think we have to keep our eye on this particular issue to ensure there is tax fairness for everyone.

I wonder if the member could comment on tax fairness for families nowadays.

Mr. Gray (Windsor West): Mr. Speaker, my hon. colleague has opened a subject about which one could speak at great length in ways I am not sure you would permit.

When we look at the tax system and tax reform, a basic concept we have to keep in mind is fairness. Here we are talking about fairness as between families who were able to avail themselves of these trust positions and those who did not or were not able to do so.

In that context we are talking about something which is a form of estate or wealth tax, the deemed capital gains tax on death. As members of the House know, under our tax law, when somebody passes away it is considered in that tax law as if all that person's capital assets had been sold as of the date of death at fair market value thereby creating a tax liability. So even though that property in fact had not been sold and even though the deceased person's estate may not have the liquid assets within it to pay the tax, it thereby requires the property to be sold in ways that might cause some degree of hardship for the heirs.

Therefore I think we have to bear in mind, with this deemed capital gains tax on death already in existence, what the acceptance of the government's proposal will mean as between those who have availed themselves of extensive family trust provisions and those who have not or are not able to do so. A basic issue as with all aspects of taxation is the issue of fairness.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as I sat here today doing duty, as most members have to do once a week, I had some thoughts on some of the information that has been given by the other side.

I felt I would take a few minutes and try to set the record straight on some of the information presented that has implied that this government since 1984 to the present has really not done anything in order to change Canadian taxation.

I would like to start off with a comment that was made by the previous speaker in regard to infrastructure.

Prior to coming to Ottawa in 1982 I had the opportunity to be a municipal councillor in a community of about 2,000, involved in an industrial commission for a number of years and the Chamber of Commerce. With an election upon us this year I find it interesting to hear that through the wisdom of our friends from the other side they will cause the infrastructure problems of Canada to be reborn.

I find that quite interesting because if we go back in history to the time when they were sitting on this side of the House, they were the party at the time that cancelled the tripartite position between municipalities, provinces and the federal government.

If we go back over time we see some of the ways they tried to generate or stimulate the economy in the early 1980s. Industrial parks were built. The money that was put into these parks was supposed to stimulate industries and create diversification in the economy across this land.

You can see now why we are sitting with the deficit that we have in this country. Those parks that were set up with those dollars spent on infrastructure are still sitting there. The only thing they have today is 10-years worth of growth of trees and shrubs and grass.

That is one reason why each Canadian today is paying for the deficit and misspending of this previous regime over the last number of years. I can tell you that that is the type of spending that Canadians are not interested in.

I wish that the Liberal Party would be straightforward with Canadians. It should really try to tell us where it is going to get the hundreds of millions of dollars that are out there that it wants to put into infrastructure. I believe if municipalities and provinces want to set their priorities and their priorities are infrastructure, then it certainly should be part of the priorities they are setting out and setting some of their other concerns off to one side.

• (1230)

I just want to put on the record today some of the pieces of legislation that we have been able to put forward working with both the previous Minister of Finance and the finance minister today and working with our colleagues. When we got started in 1984, while much of the deficit reduction initiatives had been taken on the expenditure side, over two-thirds of the improvement in the operating budget between 1984 and 1991 was due to program expenditure restraints.

All tax bases have increased in order to bring the revenue and spending into line. Over-all federal government taxes have increased from 16 per cent of GDP in 1984 to 17.6 per cent in 1993.

I would like to just take a few minutes and go through some of the specific tax increases and the areas to deal with. On the personal tax side there is movement to partial indexing, imposition of a general surtax, imposition of an additional surtax on high income earners, elimination of federal tax reduction and an increase revenue from 6.6 per cent of GDP in 1984 to 8.2 per cent in 1993.

On the corporate side, there are revenues from base broadening under tax reform greater than the cost of rate reductions, imposition of a new large corporations tax raising an additional billion dollars annually, paid by large corporations regardless of their profit position. Revenues have declined from 2 per cent of GDP in 1984 to 1.3 per cent in 1993 due to lower corporate profits.

With regard to sales and excise tax, increases in the manufacturers' sales tax rates prior to the revenue neutral switch to GST, net revenues collected from GST by law must go directly to the public debt and ultimately to reducing the debt.

Let me just take a moment to say how important that is. We have a tendency in governments whereby individuals like to hide if they have the opportunity. Let us hope that in a very few months this same management that is in place today will continue. One of our greatest concerns with the tax that was raised through the GST, in the sum of roughly speaking $15 billion, some other party in power could come in and act like a bunch of drunken soldiers. Rather than taking this money and putting it against the debt, it could end up spending it in areas where I do not believe taxpayers want to see their dollars spent at the present time.

The other part, Mr. Speaker, I should tell you about is changing from the manufacturers' sales tax to the GST. We hear that the Liberal Party is going to scrap the tax. Very good, it is nice to hear. What are they going to do? Are they going to go back to the manufacturers' sales tax?

Let me tell you this, Mr. Speaker, as someone who has come out of the industrial hardware industry where I had to rely on either importing or exporting products. From the manufacturer's side of it and the opportunity and enhancement that has taken place since the start of the GST, it has certainly been able to give our competitors outside of the country a much more severe period of time in order to invest in products that are constructed here in Canada. For our exporters it certainly has increased and figures will show where the increase affects exporting of manufactured goods has certainly been a benefit to Canadians.

On the other side of it, I think Canadians are fed up with dealing with the old federal sales tax where a government on budget day can come in and say: "We are going to increase the federal tax by 1 per cent. Thank you very much". In the first two days after a budget people say: "Well, there they go again" and then they have a tendency to forget about it.

Doing it this way with a tax that is shown, Canadians have an opportunity to see whether or not the government manages the tax dollars the way it should. I think the vast majority of Canadians still may not be happy with the GST, but at least they know what they are dealing with. From the other side, all we can hear is: "Give me two years after I am elected and maybe I will see what I can do".

Whether we are talking about companies or whether we are talking about individuals, I do not think Canadians want that uncertainty.

I remember a number of years ago when we were in opposition. We were talking about the fact that maybe it was a time for Canadians to look at wage and price controls. Most Canadians will remember that Mr. Stanfield, our leader at the time, mentioned that we would be looking at a six and five wage and price control.

During the election we heard from the other side: "Don't worry, be happy. We would never do anything like that". Going back in history what happened within a very few months of the Liberals being brought back into power? Wage and price controls.

I also remember in 1980 the federal election was fought on gas pricing. The minister at the time from Newfoundland brought in an 18 cent a gallon hike. Furore hit the country. How could they ever think of increasing the price of gasoline by 18 cents? If we go back over history it was not 18 cents they increased it by, it was not 20 cents, it was not 25 cents, but the meter kept running to well over 30 cents.

Members of the party on the other side are going across the country today stating they are going to do something with the GST. What frightens me, my constituents and many Canadians is that we know the track record of the gang on the other side. They will bring in either a hidden tax or a higher tax. Canadians are not prepared to listen to that.

I would like to move on to some of the other areas of increased economic efficiency such as reform of all the tax bases designed to increase economic efficiency, thereby increasing growth and output.

Elimination of sales tax embedded in business inputs and the tax bias which favoured imports improves the ability of Canadian businesses to compete in both domestic and foreign markets.

With respect to corporate tax, elimination of investment tax credits and fast write-offs for specific investments allows for a lower rate of tax which is the best incentive of all. It has led to greater neutrality between different business sectors which allows businesses to make investment decisions based more on market criteria and less on tax considerations.

With respect to personal tax, elimination of tax preferences, conversion of many deductions into credits and lower marginal rates means decisions are guided by market criteria and not the tax system.

With respect to fairness, there is the introduction of an alternative minimum tax to ensure that wealthy individuals pay tax; the introduction of a large corporation tax to ensure that all large corporations pay tax regardless of their profit position; the lowering of tax rates as a result of tax reform; the conversion of many personal income tax deductions into tax credits; and restructuring of the child benefit system;

I heard the hon. member from the other side complaining earlier about the fact that someone who is on pension and bringing in over $120,000 a year should not be taxed. I have a real problem with that. The system should be there to help those in need. That is certainly what we are trying to do in this country: help those who require help. That is the fairness Canadians want to see in this tax system, a system that is going to be fair to those who need the support.

There is also the enhancement of the refundable sales tax credit to Canadians with modest incomes with the introduction of the GST in 1991. My constituents and Canadians in general are certainly not too pleased but they know they have the opportunity of having a cheque from the government on a quarterly basis and they certainly look forward to that. I can say they call my office if the cheque happens not to be there on that given day.

However, enhancement and competitiveness is something that has to be dealt with realistically. One of the problems we seem to face on the other side is that competitiveness is something they are not that concerned about. The fact is that they feel as an old government with old policies they want to go back to those days.

It is a competitive changing world out there that we are dealing with today, whether we are talking about the United States, Europe or Asia. This government has been ensuring that the opportunity is going to come through tax reform. Enhancing that competitiveness is the income tax reform, lowering the statutory tax rates to keep in line with the rate reduction in other countries.

The 1992 budget announced reductions in the tax rate of manufacturing and processing profits and raised the depreciation rate of equipment used in manufacturing processing to help the sector readjust.

• (1240)

I want to talk about that for one moment. One of the key factors we are facing in our country is the restructuring of our industries through modernization, upgrading, new technology. Coming from a resource sector in northern Ontario, let me say that we have gone through some very difficult restructuring times.

We must ensure we can be competitive. For example, in the forest industry—my colleague behind me has a very keen interest in the forest industry in his region of British Columbia—it is important when suddenly the purchase of a new debarker machine for a sawmill operation can be considered. That is going to enhance the opportunity to lower the over-all cost of operation.

That is really what this is all about, being able to help individuals but also being able to help the corporate side to ensure there is a profit. Some people in this House believe that profit is a bad word, that a company should not be making profits.

In order to remain sustainable and develop and enhance the opportunities for a single employer, profitability has to be ensured with the opportunity of that profit being put back into the company in buying new equipment and enhancing the opportunity of steady employment. This is the very key portion of what we should be looking at.

The other part is encouraging individuals in risk taking by the introduction of lifetime capital gains exemption.

If you happen to be in the agricultural business, if you happen to be in small business, most of those people work seven days a week, 24 hours a day. They are the key factor of the future of our country. Whether there are two, five or 25 employees, whatever it may be, the small individual companies are the heart and soul of the country.

After years of dedicated work those businesses should have the opportunity to gain a capital gains for the number of hours they have worked. A lot of times it is the husband and wife, or a ma and pa operation. They have worked years and raised a family. Then all of sudden they decide either through normal retirement or because of health or whatever that they want to move on and start a new way of life.

A key factor we should be looking at for Canadians is the opportunity for doing what they believe is correct in investing in and for governments investing in small business.

The other part is the introduction of tax credits for labour-sponsored venture capital corporations. We all recognize we can no longer afford to have labour sitting on one side and management on the other and government sitting in another separate area.

These days, it is critical in order to ensure the opportunities for our children and grandchildren that the enhancement of all sectors be working together. Looking around the world it is certainly taking place in other countries. Labour, management and government are sitting down and looking at joint ventures.

Some have been recognized already in northern Ontario and other parts of the country. It is going to be imperative that government, labour and industry look more at this type of co-operation ensuring that there is stability and also the opportunity of ensuring that jobs are going to continue to be enhanced in Canada.

There is the tax assistance to small business. Canada continues to have one of the most preferential tax systems for small business in the industrialized world. In December 1992 the economic fiscal statement included short-term measures to help small business create jobs and create investment.

One of the contentious issues we seem to be facing here on an ongoing basis is that all of a sudden we have made some major adjustments to the Unemployment Insurance Act.

My riding of Timiskaming is going through some difficult times. We are facing about 30 per cent unemployment in my area. From those announcements in December until last Friday, I have had one call. The vast majority of people on unemployment are those seeking employment and they are saying: "Well, it is about time".

It is about time that changes were made. This would assure the small business side and those out looking for employment and those who are employed that we can no longer afford paying for people taking holidays in Florida, paying for people to go moose hunting or paying for people who are just tired of what they are doing and want to sit home and receive unemployment.

Unemployment insurance was never intended to fill in when people decided they no longer wanted to work. It is a safety net that is there to help the individual Canadians who need help. That is really what we are trying to do. We are trying to ensure there is a safety net for Canadians who need help.

When a person who has been working for a small business gets up in the morning and decides that he does not really feel like going to work, he is going to quit, thank you very much, the dollars that have been gone to help train that individual always come back on that small business.

It also means that the small business will be very reluctant to hire new people. Perhaps it has had one or two bad experiences. It has hired people, trained them at a cost of thousands of dollars. All of a sudden the guy says: "I don't like it any more. I am gone". That is the message we are getting.

If you look at the small business investment tax, if you look at the RRSP eligibility investment and changes of the $500,000 lifetime capital gains exemption to small business shares, these helped firms and the public.

I have tried to give members an overview of what the government has tried to do. It is difficult when you are put in the position we were in 1984. You walk in and the cookie jar is empty. You have everybody wondering how you are going to help people.

The only way we are going to continue to have a country that is viable is for Canadians to come together. Nobody likes to pay tax. Nobody wants to pay tax. However everybody in this House today and a vast majority of Canadians are very fortunate. Our lifestyle has been great. If we are going to continue to give a comparable lifestyle to our children and our grandchildren, we must get our house in order.

I really hope that Canadians will question in the next number of months those who are going to be campaigning and offering all these goodies. Exactly how are Canadians going to pay for these goodies? Are they going to slash or are they going to tax? That is the question that Canadians should be asking any candidate who is making promises.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I noticed the hon. member for Timiskaming talked about the unemployment insurance bill more than he talked about this particular income tax bill.

I know the riding that he represents as I was born and raised in it. I also know of the high unemployment rate that people are suffering there. To be very honest, I do not know too many people who would quit their jobs because they feel like spending the winter in Florida collecting unemployment insurance.

Furthermore, if anyone does that and if the Unemployment Insurance Commission finds out about it, there is an extremely heavy fine right now in place. The fine runs as high as 200 and 300 per cent of whatever money that was paid out.

The money paid out by UI has to be returned over and above the extremely heavy fine. Let us quit trying to make Canadians believe that there are hundreds and thousands of people who are quitting their jobs because they can afford to go south to Florida.

Yes, there are many people who can afford to go to Florida and that is their choice. I do not know that many of them are the ones who are quitting their jobs to go there, certainly not in the riding he represents. There are not a lot of very wealthy Canadians in that particular riding. It had some very tough times over the last 20 years or 30 years. It is not just in the last few years that those people have been having difficulties.

On another track, I want to ask the hon. member whether he has considered the fact that the government of which he is a member has decided that ordinary Canadians who purchased a cottage 20 years ago for perhaps very little money, when they sell this cottage they can no longer claim the $100,000 capital gains exemption.

I know that in his riding there are many examples of ordinary Canadians—not wealthy Canadians, although there are wealthy Canadians who own cottages—who have not made a lot of money. They have paid a lot of taxes and continue to pay a lot of taxes.

Those people may have purchased cottages for next to nothing because there are many of them in those regions. I know some people who bought cottages 20 years ago for $400. Now the cottage may be worth $25,000 or $75,000. They will no longer be able to get a capital gains exemption when they sell their cottages. These are people who have not made vast sums of money or profits at any other venture. They have not been able to claim the $100,000 capital gains exemption, whereas wealthy Canadians by and large have already arranged their affairs to take advantage of this $100,000 capital gains exemption.

• (1250)

What does the member tell the people in his riding, those same people who bear the brunt of all taxation? What does he tell them?

Mr. MacDougall: Mr. Speaker, I do not have many constituents in my riding who have $100,000 cottages so I do not think that is much of a problem.

There are people in my riding with cottages that they bought. Maybe they are second and third generation. Maybe some of them bought them for $8,000 or $12,000 and are very fortunate today that those cottages may be worth $50,000 or $60,000.

They may say: "I do not like paying tax. Maybe I hate paying tax". They also look at the fact that the government does not have too many avenues by which it can afford to tax Canadians. They may not like it, but Canadians also recognize that this government or any government today does not have too many options. One of the options may be taxing a cottage at $75,000 but the return, it having been bought at $12,000, will still be sufficient. The fact is many cottages in our area are transferred in families.

I think that is a boondoggle. Over all Canadians recognize that the government is in difficulty. Canadians recognize that we can no longer spend for tomorrow. What we are now doing is paying for the errors of the last 25 years.

That is a greater concern of Canadians. They want to make certain that the fiscal management of this country is in shape. They have greater concerns about where we are starting. Whether we are talking about municipalities, school boards, provincial or federal governments, all governments have to start to get their taxation in order. Canadians can see debt that is sitting out there. That is what Canadians are more concerned about. They do not want to pay more tax, but they want to ensure that their children have the same opportunities that have been given to them.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the member from Timiskaming is providing a fantastic set of answers. He is suggesting that the legislation is somehow motivated by a desire to bring down the deficit.

At the heart of the legislation is a massive giveaway which tax experts have estimated is billions of dollars of money that would have been received this year by the federal government if it had not moved as it is moving with this piece of legislation to permit family trusts to continue to be exempt from taxation for years and years into the future.

I have a question for the member on something that does not come from myself but from *The Financial Post* which is normally quite supportive of the government. On this particular scandalous giveaway of tax moneys the government should be receiving, resulting in other Canadians having to pay more taxes, *The Financial Post* has been very blunt. It has indicated that there could be substantial sums at stake in allowing trusts to defer capital gains taxes further. "Taxpayers should be told how much revenue is at stake and who will benefit most by allowing trusts to defer capital gains taxes for many years beyond the 21 years presently allowed".

I ask the member to stand in the House of Commons and tell us how much money is being lost to the finance department of this country. How much extra taxes will have to be paid by Canadians as a result of the government's legislation in front of us today that will extend for up to 80, 90 and 100 years the period during which family trusts do not have to pay a penny in capital gains tax, regardless of how much extra value the assets they hold accumulate during that timeframe? How much money is the government giving away?

Mr. MacDougall: Mr. Speaker, I do not have those figures in my back pocket. I can tell the hon. member that in 1985–86 my colleague from Mississauga chaired the finance committee. We heard from Canadians from coast to coast, from companies and from unions with regard to tax reform. The finance ministers between 1984 and the present have certainly done everything they possibly could to tie up, snag, stop or gag tax evasion, tax adjustments.

I guess I should say that the hon. member was part of the finance committee. I would imagine that somewhere in his briefing notes he has that information.

I believe the department is doing everything it possibly can in looking at ways to get tax dollars from Canadians. I would imagine over that period of time it has certainly looked at that area and at this time is not in favour of moving forward.

Mr. Simmons: Mr. Speaker, could we agree to call it one o'clock?

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to call it one o'clock?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): It being one o'clock I do now leave the chair until two o'clock, pursuant to Standing Order 24(2).

The House took recess at 12.56 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

DEVELOPMENT OF AGRIFOOD SECTOR

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, Ottawa and Quebec have just signed an agreement under which $40 million will be used to promote sustainable development in the agrifood sector.

The agreement will provide financing for a number of programs involving research, technological innovation and training. The minister and member of Parliament for Bellechasse said it was now up to the farmers to submit projects to the regional committees. After all, they were familiar with the problems.

According to Quebec minister Yvon Picotte, the regions would be in charge of the programs, since agricultural conditions vary from region to region. The minister said this was an example of co-operative federalism, with duplication kept to a minimum. Administration was kept to a minimum, to ensure that funds provided under the agreement budget would be spent on the projects submitted by farmers.

Mr. Speaker, that is what Quebec farmers have been calling on the federal and provincial governments to do.

* * *

[*English*]

PARLIAMENTARY MAILING PRIVILEGES

Miss Deborah Grey (Beaver River): Mr. Speaker, according to a secret Conservative Party document now being circulated to its campaign workers, top strategists are encouraging Tory members of this House to abuse their parliamentary mailing privileges.

Today's *Globe and Mail* reports that the document reads thus: "Using their mailing privileges means they, the MPs, could be in direct personal contact with all of their voters over the next few months. We still have some time so I would encourage you to encourage your incumbents to do as much as they can now".

What an absolutely disgusting and morally bankrupt use of taxpayers' funds. Mailing privileges are just that, a privilege and not a right for government members for their own personal election campaigns.

Canadians are fed up with the despicable antics of this government perpetually lining its pockets at the taxpayers' expense. I am quite confident that the people of Canada will severely punish the Conservative Party for this act of thievery in the coming election.

* * *

IMMIGRATION CENTRE

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, it is no secret that we have in our country a sinking ship, the Mulroney government.

Aboard the ship sails the first mate, the Deputy Prime Minister who happens to come from Vegreville, Alberta. Coincidentally Vegreville will also be the home of the newest national immigration centre, a huge electoral lifeboat.

The name for this style of politically inspired public policy is called pork barrelling of the worst kind.

Transferring the immigration centres across Canada to Vegreville would reduce face-to-face access by citizens and their advocates to government service and would put in peril through the mail-in approach for applications the safety and security of the immigration system itself. It would uproot the employees and impose undue hardships on their families.

I call on this government to rescind this ill-conceived plan. Public policy should be based on what is right for the citizenry and not what is politically necessary to re-elect the Prime Minister's deputy.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Ross Stevenson (Durham): Mr. Speaker, in discussions about implementing the North American free trade agreement I urge this government to insist that the Government of Mexico implement an acceptable environmental green plan so that its future economic development will be in harmony with all that is considered necessary and desirable for the future well-being of the entire North American continent.

In that way Mexico would answer those genuine concerns that are being expressed here and in the United States about the possible undue exploitation of Mexico's people, its resources and its ecology.

The North American free trade agreement offers a greater future for all the participating countries but it must be accompanied by environmental commitments that will ensure proper sustainable development.

* * *

LABOUR RELATIONS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the 15-month lockout by Nationair of its workers has been lifted. Members of the Canadian Union of Public Employees are voting as we speak in this House.

The commitment and solidarity of these CUPE members in the face of an employer that is more interested in busting the union than in finding a fair collective agreement is to be admired and applauded.

One has to wonder just how much sooner this labour dispute could have been settled had Nationair not been permitted to use scab labour. Four hundred and fifty flight attendants stood on picket lines and watched as scabs took their jobs.

Months of negotiations and conciliation failed to persuade Nationair that collective bargaining is about fairness not union busting. It is obvious the use of scabs prolonged and embittered this dispute.

The ongoing dispute at the Royal Oak mine in Yellowknife also demonstrates that without a ban on the use of scabs in this country unscrupulous employers will never come to the bargaining table committed to finding a fair settlement.

The only result from the use of scab labour is a poisoned labour relations climate.

* * *

POST-SECONDARY EDUCATION

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, Canadian university and other post-secondary students have been facing some very difficult financial problems in recent years due to the constantly increasing costs which they as students have been experiencing.

Moreover, the opportunities which they traditionally have had to finance their studies through summer employment have diminished due to the economic reces-

sion which has impacted on so many countries. Many, if not most students, depend to a significant degree on government guaranteed student loans to finance their studies, loans plus interest which must be repaid after graduation.

Regretfully, however, the maximum amount which can be loaned annually to students has not increased since 1984 despite the huge increase in cost which they have had to incur since that date.

Consequently, I would urge those who are currently reviewing Canada's student aid program to increase significantly the maximum amount which can be loaned to post-secondary students. I would also urge that the 3 per cent administration fee be abolished.

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, in the introduction to the green plan the Prime Minister said: "As Canadians we are the trustees of a unique, beautiful and productive northern land".

Where is that sacred trust now as the government prepares to dilute, dissolve or dismember environmental regulations if they interfere with competitiveness or cut into profits? Where now is the 1990 green plan promise to review and update regulations that did not do enough to protect the environment?

Protecting clean air, water and land is important to Canadians. The environment however is obviously on the chopping block of short term economic gain, blind to the duty we hold to future generations.

This government is showing clearly that it does not understand the message of sustainable development, that conserving our resources is the only way we can have prosperity. It cannot even read the balance sheets of corporations that are saving hundreds of millions of dollars by cutting their use of water, energy and chemicals that they flush down the drain.

The government has put an urgent priority on cutting environmental regulations but no priority on improving them.

HOUSE OF COMMONS PAGES

Mr. Doug Fee (Red Deer): Mr. Speaker, last night 10 of the fittest members of this House put partisanship aside and accepted a challenge from the pages to compete in a game of basketball.

Although the pages are younger, stronger and in far better physical condition, experience, pride and a desire to win kept the MPs in the game. Indeed, the MPs would have won except that an unnamed member was intimidated by the enthusiastic verbal support given to the pages and he missed two free shots at the closing of the game and it ended in a 38-all tie.

Mr. Speaker, your office has always done an outstanding job selecting young Canadians to serve as pages. Without exception in my memory they have been a credit to themselves and to this House. They are intelligent, articulate and hard working. This year they also appear to be outstanding athletes.

On behalf of all members, I want to indicate what a privilege it is to know them and how satisfying it is to be able to compete athletically and not to lose.

* * *

[*Translation*]

UNITEL

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, I wish to congratulate our friends in Madawaska—Victoria on Unitel's choosing Edmundston as the location for its customer service centre.

I want to thank Bob DeGrâce and the task force that prepared the submission of the Chaleur region and the Acadian peninsula and presented it to Unitel.

[*English*]

Purolator, Federal Express, Camco and now Unitel, another chapter in the New Brunswick success story.

Four hundred new jobs in the telecommunications sector is a tremendous breakthrough and is really a tribute to the competent, highly motivated bilingual work force that is available in northern New Brunswick.

As Bathurst Mayor Ken Frenette said: "All the applicants have learned a lot from the Unitel exercise". The experience we gained will serve us well as we continue to work together to demonstrate that New Brunswick indeed is open for business.

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

Mr. Jacques Vien (Laurentides): Mr. Speaker, I would like to tell you about a development project that will generate 1,000 permanent jobs in my riding. Intrawest Corporation, the largest Canadian resort developer, which owns the Blackcomb ski centre in British Columbia and has owned the Mont-Tremblant ski resort since August 1991, will invest $413 million over the next five years to make the resort into an international four-season tourism centre.

I am pleased to announce to my constituents in Laurentides that this project will create 5,500 full-time jobs during construction, which begins in April, and 1,000 permanent jobs after that.

I close by pointing out the managers' enterprising spirit and the $20 million in government money under the Canada-Quebec tourism development agreement. This project will stimulate the economy in the region and in Laurentides.

* * *

[*English*]

FEDERAL TRANSFERS

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, the federal government is being something less than honest when it talks about cutting its expenditures, controlling them by cutting back on federal transfers to the provinces. The bulk of these transfers go to post-secondary education, health care and social assistance.

• (1410)

Every one of those programs is important. They are similar from one province to another throughout Canada, although not necessarily equal. These are all very important parts of what it is to be a Canadian, that we have these services available.

The government says that it is saving taxpayers' money when it knows full well that every dollar that is cut back from the provinces has to be raised by the provinces by raising taxes or some other method.

It knows there is not the flexibility there to cut back on expenditures. The federal government in saying this is called saving the taxpayers' money is being something less than forthcoming.

* * *

NORTHUMBERLAND STRAIT BRIDGE

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, in the debate yesterday about the fixed link, one of the members in opposition suggested that the construction benefits would all be realized in other countries.

In fact the bridge will be constructed mainly on Prince Edward Island and a staging area will be established at Borden. It will be built in components and floated into place. Construction will be of concrete and by far the majority of labour and materials will go to people in the maritime provinces.

The main benefit will be on completion when the unemployment rate will begin to be equalized with the mainland maritime provinces.

Currently the unemployment rate on the P.E.I. side of the strait is 35 per cent higher than the New Brunswick side. This will change when the bridge is complete, the impediment to trade is eliminated and thousands of new jobs are created.

* * *

MUNICIPAL TAXES

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, the city of Nepean condemns the announcement of the Minister of Finance that the Conservative government will no longer recognize the municipal formula for grants in lieu of taxes to Canadian municipalities for municipal services to federal facilities.

The chairman of the RMOC said: "This change in policy not only violates the longstanding federal practice of honouring municipal tax rates, but it also represents intrusion into the municipal domain of setting property tax rates. This action contravenes the fundamental principle of fair and equal taxation treatment for all property owners receiving identical municipal services. The Government of Canada as a property owner proposes to disregard its responsibility for paying its fair share of costs associated with providing municipal services. The result of this action will be to shift the tax burden to other property owners within the municipality".

By refusing to adhere to the municipally set rates, this government is clearly demonstrating its dishonesty, its treacherousness and its arrogance. The federal government should pay equal taxes on its properties the same as all other property owners.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the environmental assessment for Pearson International Airport was completed in November 1992 but not released to the public until last week.

Then the minister advised that he was rejecting virtually every recommendation from the environmental review panel. In particular, the environmental review panel suggested a short 4,500-foot runway parallel to runway 33 for small aircraft.

The minister rejected that proposal and is going to build a full runway. The environmental review panel suggested sound-proofing to retrofit residences and schools and other such buildings. The minister rejected that recommendation. Indeed, the minister has refused to compensate anyone or assist anyone for substantial increases in air noise.

There is no point in the Government of Canada financing an environmental review of a project if the Government of Canada is not going to be bound by that review.

* * *

CANADA SCHOLARSHIP PROGRAM

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, on Tuesday of last week an hon. member from the other side rose in this House to praise his government for the success of the Canada Scholarship Program.

In the heat of the moment and possibly overcome by emotion, it seems the hon. member lost sight of some of the facts. He failed to mention that not only will students be forced to pay income tax on their scholarships, but they have been robbed of the six month interest free grace period. That adds six months of additional interest to those financially strapped students who must borrow to access post-secondary education.

[*Translation*]

To top it all, the hon. member, who was obviously in a state of uncontrollable excitement, forgot to mention that his government had decided to break its promise to eliminate the 3 per cent tax on student loans in exchange for six months more interest.

The Conservative government will take nearly $60 million from students of modest means.

[*English*]

Will this government stop erecting barriers for students, our young men and women, and start doing something about it now?

* * *

THE ENVIRONMENT

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, scientists say that human activities accelerating the natural greenhouse effect could cause future climatic changes to occur 100 times faster than during the last ice age. We can do something about this by becoming more energy efficient.

This is an environmental citizenship message from Environment Canada. Yesterday was the commencement of the environmental citizenship messages program.

This new green plan program is designed to use Canada's existing network of 60 weather offices and the Canadian Meteorological Centre to deliver daily educational messages on issues like global warming, waste reduction, water conservation and spaces and species to the media and the general public.

I know that Canadians will listen to these messages.

* * *

TAXATION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, the current government and its Liberal predecessor have created a tax system which favours those of wealth and privilege. For example, the government has decided to extend the most famous of all Liberal tax loophole, the one protecting Canada's most wealthy families who have family trusts.

This means that billions of dollars presently sheltered in private family trusts will not be subject to tax until the last exempted beneficiary dies. A fund set up today for a young child would go tax-free for 70 years or 80 years. In our judgment this is very wrong. This is another case where the Liberals created the loophole and the Tories are now widening it. The Liberals feigning ignorance are now crying foul.

Unlike the two old time parties, the New Democrats believe Canadians deserve a fair tax system. Our plan should raise revenue for necessary government investment in services without overtaxing working Canadians. It would help to provide proper incentives to stimulate the economy.

Providing a special tax which helps only the wealthiest of families in Canada is wrong. It is time for a fair tax system for all Canadians.

ORAL QUESTION PERIOD

[*Translation*]

TRADE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, in the absence of the Minister for International Trade, my question is for the Acting Prime Minister. We have been informed that the government intends to present the bill on the North American free trade agreement tomorrow, although parallel negotiations with the United States and Mexico are not to begin until next month.

Could the Acting Prime Minister tell the House why they are in such a hurry, when the American government does not intend to proceed with legislation until it has obtained parallel accords on the environment and employment?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, Canada and the United States have begun the legislative process on the parallel accords. We have opportunities to discuss the parallel accords with the Americans and the Mexicans. This process is to begin in mid-March and I think that both processes will proceed at the same time and may not end until the summer.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, why is the government in such a rush to table a bill that obviously will be amended? In his statement last week the President confirmed to the Congress what Mr. Kantor had said before, that they would not proceed unless they had agreements on manpower and the environment.

Why would the government like the House of Commons to pass the bill right now when we all know that there will be changes? If there are no changes the Americans will not proceed and we will have lost all our bargaining chips at the table.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend must realize that all three countries have signed the North American free trade agreement. What my hon. friend is talking about is what will be the components of the parallel accords.

The free trade agreement itself will be legislated by all three countries as it was signed last December. There may be some variation in what the different countries would like to see in the parallel accords. That process, as I said, will commence in the middle of March and it will proceed in parallel with the work that is going on in legislating the agreement.

• (1420)

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to direct a supplementary question to the minister.

The minister is admitting that there will be some negotiations starting next month. Last week he suggested that we should have a North American environmental commission to deal with the problems of the environment. He realized that there was a change in the position of the Americans because there was a change in the administration in the United States.

In Canada there is a very good chance that before this bill is approved by the Americans there will be a change in government here and that will change the policies.

Would it not be fair, in the fifth year of its mandate, for the government to slow down a bit and wait to see what the Canadian people will decide about the government? If you are elected you will go all the way, but we know that you will not be elected and there will be some major changes to this deal.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the drool coming out of the corners of my hon. friend's mouth is not becoming of him. He is not going to win the next election. He will not have an opportunity, as he says, to renegotiate the agreements.

As I have said before, what is it that the hon. Leader of the Opposition is going to renegotiate? If you are going to renegotiate you have to give to get. The Americans are looking to see some changes in the supply management system. They are looking for changes in the cultural exemption which we have negotiated.

Which of these is my hon. friend willing to give up, because he has to give if he is going to get.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the United States, as the minister knows, does not hesitate to put forward its values and its ideas in parallel accords.

The three parallel accords to which the minister has referred may not alter the NAFTA text itself but will certainly change the way in which the NAFTA agreement will operate.

Will the Canadian government, not the U.S. government, for its part take this opportunity to propose a parallel accord on subsidies and anti-dumping so as to protect Canadian interests and to prevent the sort of trade harassment that we have suffered from the United States in recent months?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me take my hon. friend back to February of a year ago when it was the Canadian government in the negotiations in Montreal that put forward some specific proposals for trilateral agreements on labour and on the environment. It was the Canadian government that put these forward.

We were not able to get agreement from the other parties at that time, but now that the Americans are coming back and looking more productively at this, it has given us a new opportunity to carry forward the proposals we put forward a year ago.

My hon. friend is asking about the countervail and anti-dumping elements. He knows we have a very good proposal on the table right now in the Uruguay round. I know that he and I are both in agreement in hoping that we will see some successful conclusion of this in a very short period of time. That I think will provide the answers he is looking for.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the best way for the government to proceed would be to embody the GATT text on subsidies in the North American free trade agreement.

The minister knows that it was his government which took the intellectual property provisions and particularly the drug patent requirements out of the Uruguay round text and put them in the NAFTA.

If that is good policy, why is it not equally good policy for the government to take the subsidies text out of the GATT and put it in the North American free trade agreement, either in the text itself or in a parallel accord?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, in a perfect world I would be inclined to agree with my friend. However, you have to get agreement from the other two parties. The other two parties are saying: "Let us complete it in the Uruguay round". On that basis what is included in the Uruguay round will be included as part of the disciplines the North American free trade partners must follow as well. That is the approach we have decided to follow.

* * *

TAXATION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, we know where the Conservatives stand on the NAFTA. It would really be helpful to the debate if we found out where the Liberals stood on the NAFTA.

My question is directed to the Minister of Finance who will know—

Some hon. members: Oh, oh.

Mr. Axworthy (Winnipeg South Centre): No one cares where you stand. You are irrelevant.

Mr. Riis: They seem a little bit irritated. I wonder why.

The minister will remember back in 1972 when he sat on this side the Liberal government brought in the family trust loophole to the tax system. He will remember days and days of railing on against this unfair provision.

Now that there are probably $70 billion wrapped up in family trusts and now that his government has extended the Liberal program to provide a tax-free holiday for an entire generation, for the wealthiest families of Canada, can he explain if it was wrong back in 1972 how can it be right today in 1993?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member should really do his homework on this issue.

What we are doing in the current legislation is indeed closing a loophole which allowed the prevention of taxes being paid on capital gains. That is precisely why this measure will improve that and make it more fair and equitable, as I am sure the hon. member would want us to do.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the fact remains that many people who know what they are talking about have called this a very significant tax break in the millions of dollars for some of Canada's wealthiest families. Yet the Conservatives want to extend this Liberal loophole as they have done with so many other things, just showing the similarity between the Conservatives and the Liberals when it comes to things that affect the very powerful in this country.

I want to go back to a question I asked the Minister of Finance last week which he did not answer. It has to do with the business and entertainment tax deduction, another loophole which many in this country use to finance their box seats at hockey games, Expo games or whatever the case may be.

Previously the Minister of Finance said to me that he could not change it because we had to remain competitive. The Minister of Finance now knows that the Americans are looking at changing it. I asked him in the House last week if he would look at changing it and he did not answer the question.

Will he now answer that question? Will he look at changing that deduction?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, since the hon. member is influenced by what the Americans do, I should ask him whether he is now in favour of a national sales tax, a GST or a value added tax which the Americans are considering as well.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, you just cannot get the Minister of Finance to answer the question with respect to the business and entertainment tax deductions.

Why do we not try again? The business and entertainment tax deduction, is the government thinking of changing it now that it can do so without harming our competitive position with respect to the United States?

While he is at it, if the Minister of Finance is concerned about loopholes, could he explain to the House why the Canadian government voted against Interfirpol, an organization suggested to deal with the way in which other countries become tax havens and put countries like Canada at a disadvantage? Why did the Government of Canada vote against creation of that?

Mr. Speaker: The hon. member has put his question.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I know the hon. member is not a great supporter of the small business community and I know he is not a great supporter of the Canadian Restaurant Association.

An hon. member: Answer the question.

Mr. Mazankowski: He will just have to wait and see what the budget holds.

* * *

AIRLINE INDUSTRY

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Minister of Transport. Yesterday in response to the report that Transport Canada is failing to collect landing fees owed by some air carriers, the President of Air Canada said:

> If that is the way the game is played to keep the field level we would like to play it the same way.

Thousands of Canadians in financial difficulty would dearly love to forgo their taxes as well. Why has the government been discriminating among air carriers in the collection of these fees? When did it become government policy to let businesses off the hook for unpaid taxes and fees owing to the Government of Canada?

• (1430)

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the government has never let any airline off the hook in collecting its taxes.

Because the airline industry is a cyclical business, we have from time to time accommodated some airline companies that were experiencing problems. We have accommodated some airlines in other ways. Each airline has been treated fairly.

We will continue to do so by being prudent and at the same time compassionate for the jobs of the thousands of people employed in the airline industry in Canada.

Mr. John Manley (Ottawa South): Mr. Speaker, lots of Canadians would like to see some compassion from the government when it comes to collecting taxes.

[*Translation*]

The minister's policies are in complete disarray. He has reduced them to some vague statements about capacity and about offering financial assistance through the back door. If he is unable to formulate a policy, why does he not table the review panel report that has been on his desk since January 30?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I find it rather difficult to follow the hon. member's logic. Some time ago he worried about what we were going to do to ensure that a major company did not go bankrupt before all these avenues had been explored. We did what was necessary to give the company ample time to examine the situation and I think that so far this has produced satisfactory results.

As for the report by the National Transportation Act Review Panel, it has been submitted to us. We are now examining the report and we intend to table it in the House as soon as possible.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the minister talks about satisfactory results. But this Minister of Transport is presiding over the disintegration of Canada's airline industry.

The president of Canadian Airlines is asking Ottawa to order reductions in passenger capacity. The president of Air Canada is asking for deferrals in landing fees. The president of Nationair is asking for federal cash assistance from the national government.

The question Canadians are asking is: What is this minister doing? When is this minister going to produce a plan to stabilize, to resurrect, to save the Canadian airline industry from a government-made disaster?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, over-all, the airline industry is going through a very difficult period world-wide.

In other countries, for example the United States, many companies have gone bankrupt causing the loss of many jobs in the industry. However, Canada has been able to maintain all the airline companies in a living situation by applying the policy of being compassionate to the people and at the same time being fiscally prudent.

[*Translation*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, this government's policies are killing our airlines. Unless the minister thinks he is Pontius Pilate will he immediately take all necessary action to prevent a disaster in the industry?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, airlines throughout the world are going through a very difficult time. Airlines in a number of countries have gone bankrupt and many jobs have been lost. I must repeat that Canada is very proud of having managed to keep all its airlines alive and protect so many jobs in an important industry that is having a hard time restructuring but is doing so just the same.

We have seen the positions taken recently by the major companies who are starting to realize they had better reduce their capacity because, as they have admitted, there is overcapacity at the present time.

* * *

[*English*]

ENVIRONMENT

Ms. Lynn Hunter (Saanich—Gulf Islands): My question is for the Minister of the Environment.

Our children are inheriting a country which is sick and diseased compared to our country only a generation ago. Canadians do not want to see this environmental deficit grow like the financial one. Under pressure last year, this government passed environmental assessment legislation to ensure a process that is fair, efficient, transparent and allows for a high level of public input.

Why did this government choose a cosy, cursory, internal review of the North American free trade agreement that fails these tests? Why is this government determined to ignore its own environmental legislation to ram through the NAFTA?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, there have been discussions for a certain time within the government and with opposition members on how to proceed to environmental assessments. In fact, I think the members on the opposite side, including the member next to the hon. member for Saanich—Gulf Islands, participated in some very detailed discussions on how we should proceed.

It was made clear from the outset that the policy development within government would be dealt with on a separate track. In fact I think it was in 1990 the government announced a process by which we would do such an environmental assessment.

NAFTA is probably the first major policy initiative to go under such a process with very good and comprehensive results which we have since made public to the hon. member and to other Canadians.

Ms. Lynn Hunter (Saanich—Gulf Islands): We have heard the government's repeated assurances. The government is obviously too afraid to undertake a real environmental assessment of the North American free trade agreement.

The record of the government is clear: broken promises, cuts to the green plan, environmental legislation completely bypassed. Now in the name of competitiveness, in a ruthless levelling of the playing field, there is a review of environmental regulations to ensure they do not hinder trade.

What mandate does this government have to dismantle the few protections we have when Canadians have expressed their desire for more rather than less protection over this dangerous chemical cocktail in our—

Mr. Speaker: I think the hon. member has put her question.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, one thing on which I can agree with the hon. member is the fact that the government's record in this regard is very clear. It is one of the best in the world, as described by Mostafa Tolba, who was the director of the UNEP until he was replaced by a Canadian. It is one of the best records in the world as described by President Clinton only a few weeks ago.

Environmental review of the regulations is happening in about 20 government departments, including Environment Canada. It is something that governments must undertake from time to time. We have done it with a view to upholding and protecting health and environmental standards. I have made that very clear from the outset.

To give the issue some perspective, I can say to the hon. member as I had the opportunity of saying to the executive of the Canadian Association of Petroleum Producers at a recent meeting that in this area the government expects in the next few years to be regulating more rather than less. However, we want to do it more efficiently and in a way that meets Canada's environmental competitiveness, and its over-all competitiveness.

* * *

[*Translation*]

MONTREAL'S ECONOMY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the minister responsible for metropolitan Montreal. Yesterday in the House, the Minister of Employment and Immigration admitted that the changes affecting unemployment insurance would take practically half a billion dollars out of the city's economy. My question is therefore directed to the minister responsible for that area. What action is he considering to deal with a situation that is intolerable in a city where 250,000 people are out of work?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the premise of the hon. member's question is completely erroneous. It is based on the conclusions of an erroneous study which attributes this short fall to the proposed changes Bill C-21 and Bill C-113.

• (1440)

However, the study fails to consider that the people of Montreal will have received more than $4 billion in unemployment insurance benefits during the period from 1990 to 1994. Montreal will receive additional amounts totalling $800 million to finance training and re-employment activities throughout that period, and this does not include, for instance, parental benefits for women in Montreal.

New spending on training will do more for Montreal's economy than the passive spending on unemployment insurance touted by the Liberal Party. These measures were not considered in the study, so the premise of her question is false.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the premise of my question is based on the fact that the unemployment insurance changes being proposed and trumpeted by this minister will take $2 billion out of the hands of those unemployed Canadians who need help.

The mayor of Welland is here in the House today seeking help from this government for an unemployment rate of 25 per cent in his community. Communities across the country are reeling. They are asking this government: "Why are you taking money directly from the hands of unemployed Canadians who can least afford to pay?"

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, according to the Unemployment Insurance Act, the maximum insurable earnings were going up by 5 per cent on January 1. Find me many Canadians who have had a 5 per cent increase in their salaries today.

In December the government imposed a freeze on the salaries of members of Parliament, judges, the Governor General and ministers of the Public Service in trying to contain the deficit of UI. I know that Liberals do not care about deficits. They mounted one that we still have to pay for today. However, the fact of the matter is that even with these changes Canadian employers and workers will have an accumulated deficit of over $7 billion by the end of 1993 which ultimately they have to pay.

* * *

NATIONAL DEFENCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, yesterday in response to my question to her on peacekeeping deployment and training, the Minister of National Defence said that I ought to correctly quote her cabinet colleague, the Secretary of State for External Affairs.

I am sure she has had a chance to check the "blues" and the minutes of the standing committee on external affairs. She will now know that the information she was given was false, the quote was correct and that she was wrong.

On the subject of peacekeeping operations, I would like to ask the Minister of National Defence: Why at a time when the government claims it has excess base infrastructure in Canada for every kind, size and description of training does the government see fit to deploy 800 soldiers for training for a month in California at a base that I am told is due to close in the near future?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, as I believe General Mackenzie pointed out when he was asked publicly about this—I use him since he seems to be the authority that hon. members on the opposite side trust most—the facilities at Fort Ord are not replicated anywhere in Canada. They have two advantages for this training mission.

Mr. Axworthy (Winnipeg South Centre): They are in California.

Mr. Chrétien: The beach boys.

Ms. Campbell (Vancouver Centre): I do not think the safety of Canadian men and women going on missions is a matter of humour.

Some hon. members: Oh, oh.

Ms. Campbell (Vancouver Centre): Mr. Speaker, is the hon. member interested in an answer to this question? I think it is an important question.

The facilities at Fort Ord have two advantages. They allow Canadian men and women who are training to be deployed into Croatia to train in a built-up area. It is a facility that replicates an urban landscape. That is where our people will in fact be deployed. It enables them therefore to acquire the appropriate skills.

Right now in Canada we do not have a facility that enables them to train in the climatic conditions they will meet when they are there, namely springtime conditions. Alas I have to confess that even in British Columbia it is not springtime.

It is important when we send Canadian men and women into dangerous circumstances that they are trained to meet the conditions of those circumstances and not those in the imaginations of members opposite who have not the foggiest clue about what is really involved in peacekeeping.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, the minister is right. This is a serious subject and I suggest there are some on this side who do have a clue as to what is going on.

Some hon. members: Oh, oh.

Mr. Mifflin: Speaking of clues, I would like to ask the minister about the situation. Peacekeeping has reached an unprecedented level for Canada.

We have two generals with vast peacekeeping experience who are showing concern over the nature and the size of our operations. The Chief of the Defence Staff last November stated grave concern and now one of her cabinet colleagues, the Secretary of State for External Affairs, in her testimony to the committee last Wednesday said that she had concern about overloading the personnel resource system.

When will the minister stop wallpapering her lack of knowledge about what is going on in her department? She should stop giving these weak and arrogant answers, find out what is happening and properly manage defence in Canada.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, that hon. member knows because he was a member of the Canadian Armed Forces that Canada has never developed its policy with respect to the size of the forces based on meeting peacekeeping requirements.

The size of the Canadian Armed Forces and the equipment is based on what is required to meet our own security needs and our own domestic needs such as the support of the civil power.

When we have a request from the United Nations for peacekeeping, we review the kinds of services the United Nations is looking for and if we have available people who can meet those services, we make them available to the United Nations.

Clearly there is a limit on how much we can do. I agree with many who have spoken on this subject that we are reaching the limit of the kinds of facilities that we are able to make available to the United Nations.

The question then remains for Canadians to decide where they wish to increase the size of the Canadian Armed Forces, increase our defence budget to meet additional requirements of peacekeeping.

I would be very interested to know whether it is the position of that hon. member's party that we do that.

* * *

UNEMPLOYMENT INSURANCE

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, my question is for the Minister of Finance.

The Auditor General found in 1989 that there was an inconsistent application of UI penalties right across Canada. This is a great injustice, which continues today, for claimants when a reason for quitting is considered just cause in one employment centre but not in another.

Before proceeding with Bill C-113, will the Minister of Finance call upon the Auditor General to do an audit of UIC having particular regard to quits and fireds?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, we are attempting to administer the UI regime in a fair way in order to protect the taxpayers of Canada, the workers and the employers who pay into the fund.

I know the NDP stand is that we should pay benefits to a person who voluntarily, without cause, quits his or her job but that is definitely not the position of this government.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I certainly appreciate the minister's position on wanting to be fair with all Canadians but let us make sure that he is fair with all Canadians, all those employed and unemployed.

My supplementary question is for the same minister. We have been unable to obtain statistics from UIC on reasons for quits and fireds. We suspect that the government has never kept these statistics that are so relevant to Bill C-113.

I would like to ask the minister how he can predict savings to the UI program on such sketchy information. Also I would like to ask again if he will consider authorizing an audit on this aspect of the UI program.

• (1450)

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, Bill C-113 is presently before the House.

According to our parliamentary process, the bill will go to a legislative committee. At that time members will have a chance to ask questions of the officials as to the situation of the UI account, of the bill and everything pertaining to it. I invite him to do just that.

* * *

TAXATION

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, my question is for the Minister of Finance.

Presently Canadian corporations are experiencing the lowest profit margins in history, including the Great Depression. In fact approximately 50 per cent of our corporations are operating at a loss.

Recently the NDP proposed to increase the minimum corporate tax. Could the Minister of Finance explain what effect this tax increase will have on the current business climate and the current unemployment situation?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is true that the level of corporate profits is at an all-time low. It is true that it is important to maintain in place a competitive tax regime that is consistent with the competitive norms in the industrialized world. While Canada is about in the centre of the G-7 countries, it is still somewhat higher than the United States.

I agree with the hon. member when she asks what the result of an additional corporate tax burden will be. I can only refer to what is happening in Ontario.

I read from the *Stoney Creek News* a headline which says "Ron Foxcroft temporarily relocates to the United States". It goes on to say:

> "We moved to North Tonawanda temporarily until the Bob Rae government is defeated," said Foxworth.
>
> He is shocked with what he calls the detrimental business practices of Ontario's NDP government, he said—
>
> "The day after the Bob Rae government is defeated, I'll be back".

AIRLINES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of Transport.

The minister knows that prior to Christmas when an advance was made to Canadian Airlines, Canadian Airlines cut back on the services provided. After that Nationair, which is an airline that does not even pay landing fees and apparently owes the government in excess of $7 million, was allowed to institute service between Toronto and Ottawa, and Toronto and Montreal.

Why did the minister allow those services to be instituted when Nationair owed the government money? Why is that service allowed to continue as long as Nationair owes money to the government?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I am sure the member knows that we have a policy of making sure that competition exists in the airline industry.

The travelling public has benefited from the reduced rates. We cannot know in advance whether a company is going to make money on a certain route or not.

* * *

BILL C-91

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

This morning Winnipeggers found out the true meaning of Bill C-91. Instead of the much-promised new money for research, they found out that Apotex, a Canadian-owned generic drug company was cancelling a major project in Manitoba.

Will the minister now admit that the legislation is devastating to the Canadian generic drug companies and that changes must be made immediately to the legislation to protect them?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I caution my friend to read carefully what the Apotex people said.

They have not cancelled that. They have shelved the thing temporarily. They have said this at times before and we have learned to listen very carefully because we have confidence that the project will proceed.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the Deputy Prime Minister in the absence of the minister of western diversification.

Apotex was sponsored in this project by a grant from western diversification to the tune of $6.2 million. How can one minister recommend a project for government expenditures to the tune of $6.2 million while another minister presents legislation to the House that defeats that project. What exactly are the plans of the government for the development of a technical and sophisticated Winnipeg economy?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend misses the point again. The legislation he referred to has brought forward some $650 million worth of investment in various parts of the country.

Manitoba has a $100 million project that is going to be very important to its economy. I think my hon. friend should look at the broad picture and not jump to fast conclusions which have not been borne out in the past.

* * *

[*Translation*]

FOREIGN AID

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Acting Prime Minister.

On Friday Canada will participate in a NATO meeting to discuss an airlift for Bosnia but other countries are also in crisis. For example, the Prime Minister received an urgent request for help from the President of Armenia. Unfortunately our response is very limited.

I ask the Acting Prime Minister to increase Canadian aid. Moreover, will he instruct our NATO ambassador to raise this issue so that the international community will establish an airlift to transport food and energy supplies to Armenia?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the Secretary of State for External Affairs is not in the House today. I will take note of my colleague's question and I am sure that the minister will answer him as soon as possible.

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I say to the Deputy Prime Minister and to the Minister of National Defence, Armenia is a forgotten country. People are starving and freezing. The CSCE has not been able to solve the war. The UN is not taking any interest whatsoever.

Will this country take some leadership, bring this matter before the UN Security Council in an emergency meeting and ask for an end to the economic blockade? Talk to our allies, the Turks, and say that a corridor has to be opened. We have to find some way of bringing about a cease fire.

Is it not time for Canada to stand up for the poor people of Armenia and show we are prepared to offer leadership to the world?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I just repeat in English what I said in French on behalf of the Secretary of State for External Affairs.

I am not aware of what steps she has taken to raise this particular issue either in the United Nations or with other countries. She is in Japan today. She has been travelling a great deal. I know that she will be very pleased to respond to the hon. member's question as soon as possible on her return.

* * *

THE ENVIRONMENT

Mr. Ross Stevenson (Durham): Mr. Speaker, my question is for the Minister of the Environment.

Will the minister take all necessary steps to persuade the Government of Mexico to adopt an environmental green plan to ensure that its participation in the North American free trade agreement does not cause undue exploitation of the country's people, resources and ecology.

Further, will Canada offer Mexico to help it enact such a green policy, a portion of the funding proposed at the earth summit through the United Nations Development Fund?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, my understanding is that the Mexican government has already put in place a national program in the area of environmental protection with a certain number of fixed objectives.

It may be of interest to members of this House to know that Canada signed a bilateral agreement with Mexico in March 1990 in the area of environmental protection. We have since spent $1 million in co-operation with them in different areas, including training. It is a forerunner to the many opportunities there for Canada in the area of environmental technologies.

To complete my answer to the member's question, Canada will participate with many countries in developing green plans around the world. Since Mexico already has one and we have a bilateral agreement we will not use the UNDF plan for that purpose.

* * *

[*Translation*]

AGRIFOOD SECTOR

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of State for Agriculture.

A $40 million agreement has just been signed with Quebec to promote sustainable development in the agrifood sector.

How can the minister ensure that the regions will control the programs under the Canada-Quebec agreement for sustainable development and how can he ensure that there will be as little duplication as possible in implementing these programs?

• (1500)

Hon. Pierre Blais (Minister of Justice, Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, the member's question is interesting because our government has indeed signed a $40 million agreement with the Government of Quebec. What is especially important is that it covers the environment and agriculture, which are important fields for all provinces, including Quebec. In fact, it was the fifth Canadian province to conclude an agreement with the federal government.

The decisions will not be made in Ottawa or Quebec City but in each region. In each region of Quebec there will be committees made up of representatives of the provincial and federal governments and farmers belonging to the UPA; those people will receive project submissions from farm groups and approve them. I think $40 million for agriculture and the environment is a good thing.

* * *

[*English*]

BREAST IMPLANTS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is for the Minister of National Health and Welfare.

On January 13, 1993 the minister removed silicone breast implants from the market. However, the minister said it would be permissible for women to obtain breast implants on compassionate grounds.

Is it compassionate to put an object that we know is unsafe into the body of woman? Would the minister tell us what his definition of compassionate is?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the only answer I can give to the member is the one I gave when we discussed this.

Compassionate grounds have been defined very strictly by the medical profession and it will be assessed case by case. Each case will be referred to the department based upon very stringent rules. If there is no relationship to the rules it will be turned down.

I believe we can provide requested information at any time concerning the nature of the rules that will apply. I absolutely would not worry about how it will be dealt with by the Department of National Health and Welfare.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of the Hon. George Archibald, Minister of Transportation and Communications, province of Nova Scotia and the Hon. Ken Streatch, Minister of Economic Development, province of Nova Scotia.

Some hon. members: Hear, hear.

Mr. Speaker: I wish also to draw members' attention to the presence in the gallery of the Hon. John Ostashek, Government Leader of the Yukon.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade) moved that a Ways and Means motion to introduce a measure to implement the North American free trade agreement between Canada, Mexico and the United States of America be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

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

(*Division No. 421*)

YEAS

Members

Anderson
Andre
Atkinson
Attewell
Bernier
Bertrand
Bird
Bjornson
Blackburn (Jonquière)
Blais
Blenkarn
Bosley
Bouchard (Roberval)
Boyer
Brightwell
Browes
Cadieux
Campbell (Vancouver Centre)
Cardiff
Casey
Chadwick
Champagne (Champlain)
Charest
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Cole
Cooper
Corbeil
Corbett
Côté
Couture
Crosby (Halifax West)
Danis
de Cotret
Della Noce
Desjardins
Dick
Dobbie
Domm
Dorin
Duplessis
Edwards
Epp
Fee
Feltham
Ferland
Fontaine
Fretz
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Gustafson
Halliday
Harvey (Chicoutimi)
Hawkes
Hicks
Hockin
Hogue
Holtmann
Horner
Horning
Hudon
Hughes
James
Jelinek
Johnson
Joncas
Jourdenais
Kempling
Koury
Landry
Langlois
Larrivée
Layton
Lewis
Littlechild
Loiselle
Lopez
MacDonald (Rosedale)
MacDougall (Timiskaming—French River)
MacKay
Malone
Marin
Martin (Lincoln)
Masse
Mayer
Mazankowski
McCreath
McDermid
McKnight
McLean
Merrithew
Monteith
Moore
Nicholson
Oberle
Paproski
Porter
Redway
Reimer
Ricard
Richardson
Robitaille
Roy-Arcelin
Saint-Julien
Schneider
Shields
Siddon
Sobeski
Soetens
Sparrow
Stevenson
Tardif
Thacker
Thompson
Thorkelson
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Valcourt
Van De Walle
Vankoughnet
Vézina
Vien
Vincent
Weiner
Wenman
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Winegard
Worthy—132

NAYS

Members

Allmand
Althouse
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)
Barrett
Bélair
Bellemare
Benjamin
Bevilacqua
Black
Blackburn (Brant)
Blaikie
Breaugh
Brewin
Butland
Campbell (South West Nova)
Catterall
Chrétien
Clancy
Copps
Crawford
de Jong
Dingwall
Dionne
Duceppe
Duhamel
Ferguson
Finestone

Flis	Foster
Gaffney	Gagliano
Gauthier	Gray (Windsor West)
Grey (Beaver River)	Guarnieri
Harb	Harvard
Heap	Hovdebo
Hunter	Jordan
Kaplan	Karpoff
Karygiannis	Keyes
Kindy	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald (Dartmouth)
MacLaren	MacLellan
MacWilliam	Manley
Marchi	Marleau
Martin (Lasalle—Émard)	McCurdy
McGuire	Mifflin
Milliken	Mills
Mitchell	Murphy
Nault	Nowlan
Nunziata	Nystrom
Ouellet	Pagtakhan
Parent	Parker
Peterson	Phinney
Pickard	Plamondon
Proud	Prud'homme
Rideout	Riis
Rodriguez	Rompkey
Samson	Skelly (North Island—Powell River)
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Taylor	Tobin
Vanclief	Waddell
Walker	Wappel
Wood	Young (Acadie—Bathurst)—102

PAIRED—MEMBERS

nil/aucun

The Acting Speaker (Mr. DeBlois): I declare the motion adopted.

* * *

CANADA LABOUR CODE

MEASURE TO AMEND

Hon. Marcel Danis (Minister of Labour) moved that Bill C-101, an act to amend the Canada Labour Code and the Public Service Staff Relations Act, be read the second time and referred to a legislative committee in the Human Resources envelope.

• (1550)

He said: Mr. Speaker, I rise today to address hon. members on the second reading of federal labour legislation which will reduce administrative and cost burdens, increase efficiency and competitiveness and enhance labour-management co-operation.

The proposed amendments to the Canada Labour Code are in a balanced package. They benefit employers, employees and government and are also timely. With the support of this House we can move forward together to increase our investment in people and the ability of Canadian enterprises to be more competitive.

The majority of the amendments I am proposing relate to federal labour standards contained in the Canada Labour Code. These proposals were developed over a two-year period in partnership with federally regulated employer and employee representatives, the very parties affected by the changes. Some 700,000 working Canadians will benefit from these changes to federal labour standards.

The issues addressed in this proposal include streamlining modifications to standards, clarifying the relationship between minimum labour standards and collective agreements, more effective collection of unpaid wages, provision of wage and employment protection for workers injured on the job, greater flexibility in the timing of parental leave and maternity related reassignment.

I am also proposing the addition of a provision to the Canada Labour Code and the Public Service Staff Relations Act. These amendments will serve the public interest by providing an additional mechanism which could assist in the settlement of collective bargaining disputes.

[*Translation*]

I will give a few examples of the ways in which the proposed amendments to the Canada Labour Code will benefit employers and employees. Streamlining the procedure for modifying labour standards such as duration of work, annual leave and statutory holidays will benefit the employer.

Clarification of federal powers concerning wage and unemployment protection for workers injured on the job and the relationship between minimum labour standards and collective agreements will help save time and money and prevent overlap and duplication.

Pregnant and nursing workers will have the right to request reassignment, a change in their tasks or even a period of leave if their health is at stake. Employees injured on the job will benefit under provisions that guarantee wage protection, maintenance of social benefits and resumption of employment. New parents will be able to take parental leave at the time they see fit, during the first year in which they have an infant in their care.

All these changes clearly benefit Canadian workers and testify to the federal government's commitment to investing in the human resources of this country.

These changes will greatly enhance the harmonization of labour legislation in this country. The Canada Labour Code will be more compatible with provincial labour standards will be increased, and employees across Canada will be entitled to similar levels of wages and benefits.

As I said at the beginning of my speech, these very substantial changes are intended to streamline federal labour legislation and help Canada prepare for the challenges of economic globalization. I would now like to offer some examples that will illustrate the tremendous progress we will all be able to make as a result of this bill.

[*English*]

As an example let me briefly describe our amendments with regard to collective agreements and minimum labour standards. These modifications will exempt unionized work places from annual vacation, general holidays, bereavement leave or minimum wage standards where the collective agreement meets or exceeds the legislated standard.

Currently the complainant, subject to such a collective agreement, may call on both the grievance process and Labour Canada for redress. The new amendments will ensure that only the collective agreement prevails for those employees who have access to a third party grievance process. This will eliminate unnecessary duplication.

At the outset I referred to proposed changes in the industrial relations area of the Canada Labour Code and the Public Service Staff Relations Act. The changes will protect the public interest by providing an additional mechanism which could assist in the settlement of collective bargaining disputes in federal jurisdiction. These amendments will allow a vote to be directed among employees in a bargaining unit on an employer's last offer when the public interest is affected.

Housekeeping amendments to the Canada Labour Code will also be made to redress certain discrepancies between the English and French texts. This will ensure clarity and uniformity in the provisions.

In conclusion, I think it is clear from the outline I have provided hon. members that the amendments before this House will have an extensive and beneficial impact on efficiency in the work place while promoting greater co-operation between employer and employee.

These amendments will also help propel Canada into a more progressive economic climate and foster a more equitable and harmonious work place environment. I trust that with the support of both Houses and the support of my colleagues from the opposition parties we can get this piece of legislation through the House quickly.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I wish to commend the Minister of Labour on introducing Bill C-101 and making so many necessary changes to the Canada Labour Code.

I have some amendments and suggestions to make to what the minister is proposing, as will my Liberal colleagues who will be speaking on this bill. I have already sent them to him for his perusal. Over all my party and I are prepared to support the bill in the anticipation that our recommendations will be received in the same spirit as we give this support.

The federally regulated enterprises to which the code applies include privately and publicly owned industries engaged in interprovincial or international rail, road and pipeline transportation, shipping and related services, air transportation, interprovincial and international communications, broadcasting, banks and various Crown corporations.

I will deal specifically with sections of the bill which I think can be improved. Clause 42 would amend the Public Service Staff Relations Act, also known as the PSSRA, by adding a heading and a proposed subsection 19.1. I am suggesting that this clause be amended by striking out lines 6 and 7 on page 28 and substituting the following: "that it is in the interests of the employees of the effective bargaining unit that those employees be—."

After line 20 on page 28 the following should be added: "1.1 For the purposes of determining the interest of the employees under subsection .1 the minister may take into consideration the following: (a) whether the rules of the trade union give the employees an opportunity to vote, to accept or reject an offer of an employer, and where there are no such rules whether this is likely to be prejudicial to the employees; (b) whether there are reasonable grounds to believe that a significant number of employees wants a vote to be held, and (c) whether a vote is likely to end a labour dispute that in the opinion of the minister has lasted for an inordinate length of time."

I would leave that timing to the opinion of the minister and his advisers who would be involved in this.

Clause 2 seeks to amend Part I of the Canada Labour Code by adding a heading and proposed subsection 108.1 regarding a directed vote on the employer's last offer. This is where there seems to be more of a problem than in other sections of the bill because this was not discussed at any length with the people involved in the negotiations all along. Where notice to bargain collectively had been given and the Minister of Labour felt that the public interest would be served by such a vote, the Minister of Labour could consider or could order a vote among employees in the affected bargaining unit. Employees could vote to accept or reject the employer's last offer received by the bargaining agent on all matters remaining in dispute.

• (1600)

What I am suggesting is that clause 2 of Bill C-101 be amended as follows: by striking out lines 18 and 19 on page 1, and substituting the following: "interest of the employees of the affected bargaining unit that those employees be given the opportunity"; by adding after line 10, page 2, the following: "(1.1) for the purposes of determining the interest of the employees under subsection (1), the minister may take into consideration the following: (a) whether the rules of the trade union give the employees an opportunity to vote to accept or reject an offer of the employer and where there are no such rules, whether this is likely to be prejudicial to the employees; (b) whether there are reasonable grounds to believe that an insignificant number of employees wants a vote to be held; and (c) whether a vote is likely to end a labour dispute that, in the opinion of the minister, has lasted for an inordinate length of time".

Certainly the idea that bargaining unit employees may vote on the employer's last offer is not new in the Canadian labour relations system. Legislation exists in several jurisdictions on this issue. In Alberta, any time after bargaining proposals have been exchanged, either party may make one request during each dispute for the Labour Relations Board to conduct a vote on the most recent offer.

If most of those voting accept the offer, then it is binding on the parties and must be included in their collective agreement.

The British Columbia Industrial Relations Act provides that before the commencement of a strike or lockout the employer may make one request for a secret ballot on its last offer to be held among bargaining-unit employees. The commissioner of the Industrial Relations Council then orders such a vote.

The act further allows that during a strike or lockout the commissioner may direct a secret ballot vote if he or she considers that it is in the public interest to do so.

Finally, British Columbia's bill 84 includes a provision that would authorize the Minister of Labour to direct a vote on the employer's last offer. I would note here that in this particular case where this act was passed, it was a New Democratic government that passed it. This seems to be the group that is going to give the greatest problem with the passing of this particular section.

I see my colleague is all ready to jump in here and I am waiting to hear what she has to say. I am sure she will have a lot to say and I hope most of it will be substantive.

In Ontario, which is also led by a New Democratic government, after the commencement of a strike, the Minister of Labour may direct a vote among the bargaining unit employees on the employees' last offer if he or she feels that this would be in the "public interest".

For example, in 1991, a legal strike by Toronto Transit Commission employees ended when the Ontario Minister of Labour, a member I believe of the New Democratic Party, directed a vote among the striking employees. A majority of the voting employees agreed to accept the employer's last offer. Further, the Ontario Labour Relations Act allows that before or after the commencement of a strike or lockout, the minister, in response to a request from the employer, will order a vote among the bargaining unit employees on the last offer.

Finally, there is the Saskatchewan Trade Union Act—where there is also a New Democratic government—that allows it sometimes when a strike has continued for 30 days. A time limit is put on it. The trade union, the employer or the employees involved in the strike representing at least 100 persons or 25 per cent of those in the union, whichever is less, may apply to the Labour Relations Board for a vote on the employer's final offer.

Every affected employee who has not secured permanent employment elsewhere is eligible to vote. The vote is held at the discretion of the board. It may be ordered only once for any strike.

The minister suggests that the amendments proposed in Bill C-101 would serve the public interest through providing—in addition to what I believe he said was conciliation and other mechanisms available under the legislation—a means that would assist in the settlement of bargaining disputes. I agree with him.

I believe that his interpretation of the bill coincides very closely with mine and that, generally, of my party. Nevertheless, neither clause specifies what person or body other than the Canadian Labour Relations Board, the CLRB, or the Public Service Staff Relations Board, the PSSRB, as the case may be, might be charged with conducting the last-offer vote or for what reason or on what basis an entity other than the relevant board would be selected.

The proposed amendments should be entered into the record so that there is no misconception on either side as to precisely what we are dealing with:

> B. Proposed Amendments to Minimum Employment Standards.
>
> 1. The Relationship Between Collective Agreements and Part III of the Canada Labour Code: Clause 13.
>
> Clause 13 would amend section 168 of the CLC by adding proposed section 168(1.1). This proposal would require that Divisions II, IV, V, VIII (Minimum Wages, Annual Vacations, General Holidays and Bereavement Leave, respectively) not apply to parties to a collective agreement that provided employees with rights and benefits at least as favourable as those provided under the stated Divisions of the Code in respect of length of leave, rates of pay and qualifying periods for benefits. Further, such employees would access the grievance and rights arbitrations provisions of the collective agreement for the settlement of disagreements related to those matters.
>
> It is a generally prevailing principle that minimum employment standards are exactly that—minimum standards. Further it is generally understood that these standards provide a "floor" from which unions often negotiate relatively more generous benefits. The proposed change would clarify that collective agreement provisions would prevail over select legislated provisions of part III of the Canada Labour Code in cases where the terms of the collective agreement at least met the code's requirements or annual vacation entitlements, general holidays, bereavement leave or minimum wage rates. Generally, collective agreement provisions exceed legislated provisions in these areas.
>
> The grievance procedure would be used in seeking redress in disputes related to these benefits. However employees in a non-unionized work environment who lack access to a grievance procedure could seek redress through either Labour Canada or the courts.

The modifications for maternity leave as outlined in this bill would cover approximately 700,000 men and women across Canada. We believe in this party that a fairly substantial group, nearly 200,000 additional women, could be covered through an amendment to clause 26 of the bill simply by adding immediately after line 8 on page 17 the following: "Section 206.2 Notwithstanding any provisions in this Part, sections 204 to 206.1 apply to a department within the meaning of the Financial Administration Act".

• (1610)

My colleagues, the MPs for Ottawa West and Kenora—Rainy River, will be joining in this debate. My colleague for Ottawa West who is the Liberal critic for the Public Service will deal with this question more clearly and in more depth.

I am quoting the minister: "Bill C-101 in its original form seeks to increase efficiency, competitiveness and prosperity for Canadian workers and also would extend the role of the federal government in fostering a productive and more aggressive labour-management climate." These are all very worthy goals to which I lend my unqualified support.

In general terms, the proposals, most of which were developed over a two-year period through consultation between employee, employer and the Canadian Labour Congress, which spoke for the unions are broadly acceptable. I say that they are broadly acceptable to all parties.

Organized labour however feels that there ought to have been consultation over the issue of the vote on an employer's last offer. I think that possibly if there had been more consultation, we might have been able to arrive at an agreement which was just about like the one that is in here but that option was taken from our hands.

Organized labour through the Canadian Labour Congress also feels that ministerial direction for a last-offer vote would constitute unwarranted interference with labour-management relations and the international affairs of the union. My colleague will argue further that there could be the spectre of conflict of interest.

At least at this point in the debate on second reading I think that the bill is generally acceptable to my party and that it should be allowed to proceed into committee for further study and clarification and hopefully for the inclusion of the friendly amendments which I, my colleagues and my party are suggesting to the minister today.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like to rise first to say that I am pleased this bill is before the House, but I would like to make a correction.

My hon. colleague, the labour critic for the Liberals referred to the CLC as being concerned about the impact of the clause 1 amendment on the international workings of the affiliated union. I think he meant to say the internal workings of the affiliated union.

These amendments to the Canada Labour Code are ones that certainly this caucus can support and, as my hon. colleague the labour critic for the Liberals said, that the Canadian Labour Congress can support.

What we most support is the proposition of consultation and working together to come up with amendments to the Canada Labour Code that are good for the workers, good for the employers and certainly good for the Minister of Labour. When two groups have come together and come to a consensus conclusion, the likelihood of both sides being willing to work within the system, and the system working, are much enhanced.

Unfortunately the amendments to part I of the code and to the Public Service Staff Relations Act were not the result of consultation. After seeking and getting support for all the other amendments, the minister without warning dropped the part I amendment, the same amendment, into the Public Service Staff Relations Act.

The previous speaker has alluded to what is in it. I would have liked to have been able to refer to the explanatory notes normally attached to a bill because they probably would have been in lay language and much easier for Canadians to understand than the legalise of a bill. Unfortunately all it says is "New", which suggests to me that it was a last minute addition to the bill and there was not time to work through it.

Essentially it says under "Vote on Employer's Offer":

> 108.1(1) Where notice to bargain collectively has been given under this Part, and the Minister is of the opinion that it is in the public interest that the employees in the affected bargaining unit be given the opportunity to accept or reject the offer of the employer last received by the trade union in respect of all matters remaining in dispute between the parties, the Minister may

It goes on to set out the conditions. It has been noted that several governments already have this clause in their legislation. The previous speaker referred to Alberta which I found quite fascinating because Alberta probably has the most retrogressive, old-fashioned labour legislation in the country. I found that rather fascinating. I am quite pleased for the workers in Alberta that there is one little sign of light at the end of the tunnel.

He then referred to British Columbia. I think he was referring to the same labour code that the Liberal opposition in British Columbia held up in the House for seven months because it was felt that it was not a fair labour code. Ninety-four per cent of the clauses in the labour code were reached by consensus with labour and management but the Liberals did not like that labour code because it was far too progressive.

It is interesting the hon. member would refer to those items. The Ontario labour code, also introduced by an NDP government, has proven to be and has been called by labour relations experts everywhere one of the most progressive pieces of labour legislation in the world. Both British Columbia and Ontario codes, I might add, have anti-scab legislation along with the legislation in Quebec.

I am confident, Mr. Speaker, that you and the people out there will understand that while both British Columbia and Ontario have this clause in their labour codes, the difference is that the labour movement and the employers were consulted about the wording, about how it would work.

In this instance we have a clause in the legislation that was introduced without any consultation. It is not so much the merit of the clause but the failure to discuss and the sort of high-handed—I am sure the minister was not high-handed; we have our suspicions about where this clause came from—introduction of legislation without so much as indicating that they were planning on doing it and it being forwarded to the Canadian Labour Congress, the Canadian Federation of Labour and CCU unions.

It is important to remember that if the same level of discussions had gone into part I amendments we would have had a much better bill. It would have been worded in such a way that it would have met the needs of employers and met the needs of the labour movement.

Much like the amendments proposed by his colleague, the minister of employment, with respect to UI, we have a clause that is flawed. The Liberal labour critic has suggested that clause be amended by changing, and correct me if I am wrong, lines 18 and 19 to remove "in a public interest" and include "interest of the affected bargaining unit".

Now we are talking about allowing an employer not only to bully and frighten workers. We are now saying that the test will be those frightened and possibly harassed workers and their desire, whether they think it is in their interest to have a look at that collective agreement and not the test of the public interest. Anyone who has been at the bargaining table knows that those at the bargaining table are not likely to be intimidated either way. For those who do not know what is going on at the bargaining table, some employers have been known from time to time to intimidate workers.

• (1620)

While I look forward to this bill going to committee and the opportunity to discuss amendments, I would think my colleague could come up with an explanation of why he thinks his amendment is not flawed. I am most concerned about it.

Getting back to the part I amendment, the amendment to the Public Service Staff Relations Act, it is very evident that this amendment did not come from a demand of the employer's group. It leaves one to wonder therefore whose agenda is being served by this amendment.

The federal government abandoned negotiations with its own workers with the passage of Bill C-29 one and a half years ago. We now have before the House Bill C-113 that would end the government's obligation to bargain with its workers and impose a two-year wage freeze. This is not collective bargaining. This measure gives the employer the upper hand. It need only put out the pretence of bargaining and then sit back and wait for the legislation to go into effect.

This does not improve the collective bargaining relationship. It only adds to the distrust of the motives of the employer by the workers. At a time when morale is at an all-time low in the federal public sector, one would hope that the government would be looking at ways to increase productivity and to improve and create an effective collective bargaining relationship rather than make a bad situation worse.

Unions are an integral part of the collective bargaining process, particularly in the case of the amendment to the PSSR act. The amendment we find in the bill serves notice to that employer that the government through Treasury Board does not trust or respect the bargaining agents of its workers.

To me there seems to be a major conflict of interest when the employer can set the parameters of collective bargaining in law and at the bargaining table. The situation will be one where cabinet will determine the best offer it is going to present and then call on a minister of the Crown to order a vote of the union membership on the offer.

This provision is open to great abuse particularly in the public sector, but it is not confined to the public sector. When this bill was introduced the minister said that he would not abuse it, and I believe him. However the Minister of Labour is not the minister responsible for Treasury Board and the Minister of Labour may not always be the Minister of Labour. Some time in the not so far distant future the Minister of Labour may go on to be the Deputy Prime Minister and somebody else will take his place. This is a cause for concern.

By permitting these types of votes, the government will be giving the employer yet another weapon to break the union and avoid its obligation to bargain with its workers. That is where the greatest concern is in introducing this amendment under the Public Service Staff Relations Act. One can easily imagine the type of public relations campaign an employer could mount to persuade that its last offer was the best it could do. We certainly saw that last week with Nationair. It was the best it could do. The union was being unreasonable; the bargaining committee did not truly represent the interests of the membership; and in fact when push came to shove Nationair was able to come to an agreement.

This is an unwarranted and unnecessary invasion by the government into the collective bargaining process. I would ask, if it is going there, the very least there should be is consultation and discussions with both employer and the unions affected by the Canada Labour Code and the Public Service Staff Relations Act.

By tagging on the part I amendment to the code the minister has undermined the consultative process and cast suspicion on his commitment to reform the labour relation system at the federal level.

The minister also missed an important opportunity to bring an end to one of the most disruptive aspects of labour relations, the use of scabs. We are amending the Canada Labour Code with two major disputes in the country where the use of scabs has exacerbated the situation, has been vicious and violent, and the minister has not included anti-scab legislation. There are three jurisdictions in this country that have anti-scab legislation. We have no evidence that shows that the use of anti-scab legislation in any way interferes with or makes worse the collective bargaining process.

The major amendment that both the governments of B.C. and Ontario implemented in their labour code amendments was that of a ban on the use of scabs. The minister is fully aware of the consequences of the use of scabs. In both the CASAW-Royal Oak dispute in Yellowknife where nine people died, who would not have died if scabs had not been underground, and the CUPE-Nationair dispute in Montreal, the use of scabs has only served to prolong these disputes and to permanently damage, not only the bargaining relationship between workers and the employer, but in the case of Yellowknife to permanently damage relationships in a very isolated and what was a very closely knit community.

I would say that real reform in part I would be to follow the lead of Ontario and B.C. and add a section outlawing the use of scabs.

In part III of the Canada Labour Code the minister has addressed conditions of working life, hours of work, minimum wages, vacations and holidays, leave for sickness and injury, termination and unjust dismissal. All of these are fundamental to a fairer and more equitable work place.

In effect, this part of the labour code is the collective agreement for those workers who are in the unorganized sector. It is their only assurance of a safe and secure work place. It is the minimum standard. For all Canadians the labour code ensures that myopic and unscrupulous employers cannot take advantage of temporarily hostile economic environments to exploit workers.

The code is a statement of the Canadian commitment to minimum standards of security and dignity in the work place, standards which are necessary to the development of a trained, healthy, motivated and productive work force.

For the most part what we see in this bill reflects this underlying belief in the need to strike an appropriate balance of power between worker and employer. For that I applaud the minister. The bill improves on existing provisions so that they are more closely attuned to the realities of the modern Canadian economy.

Greater flexibility for parental leave reflects the reality of today's working families and the commitment of many women to the work place.

Maternity related reassignment puts the rights of the worker to continue her employment ahead of those of the employer to force her on unpaid leave. While this provision does not go far enough in our view as it extends for only a 24-week period, it is a very important step. The recognition in law of the health effects of the work place on the pre and post-natal child are very important and we applaud them.

There is improved wage and employment protection for those workers injured on the job. We applaud that amendment.

Curiously enough, there is a statement in this bill about the primacy of collective agreements where provisions of those agreements exceed those of the code. That is the part that we find rather odd, that this bill speaks of collective agreements, the result of the collective bargaining process, that it will prevail on issues of leave, rates of pay and qualifying period. But in this same bill we have amendments to the code and Public Service Staff Relations Act that effectively allow the minister to nullify the collective bargaining process, amendments which shift the balance of power to the employer.

On the one hand the minister is acknowledging that yes, the collective bargaining process can protect the rights of workers and employers. On the other he says that he can intrude into that at any time.

The wage recovery amendments set up a non-criminal procedure and will hopefully be administratively more efficient than pursuing these matters through the courts. Corporate directors will be made liable for the payment of wages owed. This is a fine amendment to this code and an important recognition that the contribution of the worker is as valuable as that of the director and the latter should not be able to walk away from a failed business with a severance package not available to other workers.

• (1630)

It is with great sorrow that my caucus and I are forced to oppose this bill that is mostly built on consensus. After the minister had done his work and done it very well, in our view, someone else has come up with another agenda and drafted amendments to part I of the Canada Labour Code and Public Service Staff Relations Act without consultation and in fact taken what was a good, positive step in industrial relations under the Minister of Labour and made it into something that is less than positive in that on the one hand we said we want to consult and on the other hand we said we want to abandon that consultation, putting the minister in a position of having to bring forward a bill that was supposed to have been built on consultation.

I would urge that the government consider the positive possibility of consulting with the labour movement, with employers in this country, so that we can come up with amendments to part I and the Public Service Staff Relations Act and come to third reading of this bill with a bill that everybody has been consulted on and everybody is feeling positive about and indeed, open a new era in industrial relations in this country.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Cape Breton Highlands—Canso—Fisheries; the hon. member for Don Valley East—Refugees; the hon. member for Kenora—Rainy River—Taxation; the hon. member for Saskatoon—Clark's Crossing—The Economy; and the hon. member for St. Boniface—Transportation.

Resuming debate. The hon. member for Abitibi.

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, it is with great satisfaction that I rise in the House today. The minister and member of Parliament for Verchères has just tabled a bill which includes proposals for amending the Canada Labour Code will allow for temporary reassignment of pregnant or nursing employees when their state of health so requires.

Hon. members may recall that I proposed a similar amendment in the House a few years ago following presentations Joanne Moisan made at my office in Val-d'Or in November 1989.

Today, according to the rules applying to all federally regulated employees, an employer may oblige a pregnant employee who is no longer able to perform one of the duties of her position to go on maternity leave.

In other words, today a pregnant employee who wants to go on working does not have the right to ask for a change in her tasks or for reassignment. She may be forced to quit her job unless she is entitled to sick leave or paid annual leave or can start her maternity leave.

Quebec is the only province in Canada that has specific legislation to protect pregnant employees on the job. Some collective bargaining agreements also provide that protection. This bill meets the provisions of the Quebec program and goes even further.

In 1988, the Supreme Court of Canada ruled that the Quebec program did not apply to federally regulated companies. Consequently, pregnant or nursing employees working in federally regulated industries located in Quebec are not eligible for the Quebec program.

So my question is: why should women who work in a federally regulated sector in Quebec not have the same right to be reassigned which would allow them to stay on the job during their pregnancy?

The proposed changes will help correct the imbalance between the rights of the employer and the rights of a female employee. The employer will have to make every reasonable effort, either to change the tasks of a pregnant or nursing employee or to reassign her if the employee's physician is of the opinion that her present state of health so requires.

Today's bill proposes more flexible conditions to determine when an employee may take parental leave. For instance, employees may choose the timing of their parental leave. The purpose here is to help parents find the best way to combine work with family responsibilities.

Further changes will ensure wage protection, maintenance of social benefits and the return to work of injured employees when possible, while at the same time clarifying federal powers and releasing employers from the obligation to engage in costly legal proceedings against the provinces.

As you know, most employers already participate in provincial workers' compensation plans or private insurance plans. These employers will not have to pay additional costs.

Those who are not in any insurance plan may be sued by workers injured on the job. The proposal would ensure that there is money to compensate workers involved in accidents.

To conclude, I would like to add that the people of my riding and of many other parts of Canada support this bill that will ultimately benefit Canadians. I have personally supported the Minister of Labour on many occasions in his efforts to bring forward this bill.

I wish to say to Liberal and NDP members that our government has the responsibility to better protect pregnant or nursing women employed in federally-regulated companies. Therefore we must legislate on this. Once again, I reiterate my support for the proposed changes and ask members on both sides of the House to support them also.

In closing, I thank all the women in Canada who for years have been asking the Canadian government for justice. I thank Renée Godmer and her staff; I thank Canadian employers and unions for their involvement in this issue and especially thank the Prime Minister and the Minister of Labour.

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. Minister of Labour.

* * *

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT, 1993 NO. 2

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-113

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I rise on a point of order. Agreement could not be reached under the provisions of Standing Order 78(1) or (2) with respect to second reading of Bill C-113, an act to provide for government expenditure restraint. Under the provision of Standing Order 78(3) I give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allocating a specified number of days or hours for the consideration and disposal of proceedings at the second reading stage.

* * *

CANADA LABOUR CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Danis that Bill C-101, an act to amend the Canada Labour Code and the Public Service Staff Relations Act, be read the second time and referred to a legislative committee in the Human Resources envelope.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I would like to ask a question of my colleague from Abitibi before I get my opportunity to speak on this particular bill.

I know that my colleague from Abitibi has been working very hard on the issue of the place of pregnant women in the work force and the difficulties that they face as it relates to their unborn child and in some instances their child that is an infant.

Would he be able to give us his government's analysis of why the minister put in the bill the employer's last offer amendment which deals of course with a grave infringement on the collective bargaining rights of workers and could he give us a synopsis because, as you well know, we are not allowed to ask the minister questions when he gives his speech. Maybe the member for Abitibi could give us an explanation of the government's rationale as to why this particular amendment is in the bill.

[*Translation*]

Mr. Saint-Julien: Mr. Speaker, we all know that for years, many people, especially in Quebec, as I just explained, have known that Quebec is the only province that had what is called precautionary cessation of work. For years in our offices, especially since 1984 and particularly around 1989, women in banking, in some sectors of radio and communications and in transportation, in Canada and in Quebec, often in non-union positions, called us to ask what we could do to have the Canadian government put precautionary cessation of work in the Canada Labour Code. To answer the question of my Liberal colleague who has been involved in this issue since he came to this House, where he represents his constituency very well, we know that it has not been easy.

The Canadian government has had discussions with the unions on the Canada Labour Code. Today we know that several things can happen. Changes and amendments may be made, but it is mainly due to women in our ridings and women not represented by unions in banking and transportation.

Mr. Speaker, I want to tell you that if the minister goes to the legislative committee, he can elaborate on the subject since he participated in the negotiations on the labour code with the unions. I want to tell my colleague that we will follow this very closely and I thank him for his question.

• (1640)

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I would like to ask the member for Abitibi a question. I suppose that he realizes that the compensation received by a woman who uses the right to precautionary cessation of work will be different depending on whether she is covered by the provincial or the federal code. In Quebec, the only province to offer this provision, a woman worker receives about 95 per cent of her salary without deductions, which is about 100 per cent of the pay that she normally gets. This will not be the case under Bill C-101. So there will still be two kinds of citizens with respect to the right to precautionary cessation of work, those who come under the Quebec code and those under the federal code. I would like to ask him whether he does not think it would have been better to adopt the provisions of the Quebec code in full and thus not penalize a worker because she is pregnant or nursing a baby. That is my first question.

Second, I would also like to know from the member whether or not he believes that an anti-scab provision should have been in this reform of the Labour Code, given the very recent long lockout at Nationair, for example. The Quebec law has led to greatly improved labour relations in Quebec, partly because of the anti-scab bill passed there over 15 years ago, and neither the Quebec Liberals nor the employers' association, the Conseil du patronat, challenge it. I would like to have his comments on these two points.

Mr. Saint-Julien: Mr. Speaker, I am pleased to see the Bloc Quebecois member who was always absent when I tabled a motion in Parliament. I am pleased to see you hear this evening, sir.

When he talks about 95 per cent, I remember—

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for Laurier—Sainte-Marie.

Mr. Duceppe: Mr. Speaker, I think that as the debate is beginning today and the hon. member is the fourth to speak in it, such remarks are somewhat ridiculous.

The Acting Speaker (Mr. DeBlois): I must simply remind both sides of the House that it is contrary to parliamentary tradition and the Standing Orders to point out the absence or presence of an hon. member in this House.

The hon. member for Abitibi has the floor.

Mr. Saint-Julien: Mr. Speaker, you are a good chairman, but I only said that I was pleased to see him. I did not talk about absence or presence.

Mr. Speaker, the member just mentioned the 95 per cent. If I remember correctly, workers' compensation in Quebec was 90 per cent; that makes about $353 a week, which is non-taxable for the recipients. We know that it cost employers in Quebec about $78.4 million in 1990. I know that there are always things that can apply now. We know that the employee can be reassigned under two or three programs. All these things will be discussed in the legislative committee and I would really like to see the Bloc Quebecois member on it if he can come and serve there.

As for scabs, I tabled a motion concerning strike-breakers. I am not too familiar with the Nationair situation because Nationair does not serve Abitibi. But I did table a motion on strike-breakers and I am eager to win the draw to be able to discuss the issue more thoroughly. We still remember that the member who started the debate on strike-breakers is a Conservative who has been here for years. He did not present the bill a second time and I presented it on behalf of the Canada Post workers because I am against strike-breakers during strikes.

[*English*]

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, it is my pleasure to be involved in this debate today on Bill C-101.

I would like to make some general comments and then get involved in some specifics. After that I will talk in general terms about some of the problems I see with the bill.

The government and particularly the Minister of Labour have placed us in a difficult position. The minister has introduced a bill which is not unusual to this place and most parts of the bill are good amendments to a particular piece of legislation that we in this House would like to see implemented. He has also put amendments in the bill which are hard for some of us to live with and I will deal with that.

I would like to talk specifically about the good parts of the bill: industrial relations; occupational safety and health and standards of hours, wages, vacations and holidays. I will save the labour relations portion of it for later.

Under the first two parts the government has implemented good pieces of legislation and good amendments to the Canada Labour Code. It is obvious to all who have been listening in this House for the last hour the majority of those amendments being put forward was done so with the consultation and agreement of all parties who were involved in this piece of legislation.

The hours of work part permits the averaging of hours of work over a period of two or more weeks where the nature of the work requires irregular distribution of work hours. Consultation took place relating to that amendment and all parties agree that is a good thing.

The substitution of holidays permits the substitution of any other holiday for a general holiday in certain circumstances. That is with written agreement of the employer and the trade union and consultation took place in that regard.

Maternity related reassignment and leave is a project that my colleague from Abitibi has been putting forward in this House for many years, as long as I have been here. It is one I have spoken on during his private member's motion in the not-too-distant past.

It is a good amendment because it protects pregnant women in the work force who are looking for maternity related reassignment because of the necessity of caring for their children and when they are in the process of having children. That amendment has been highly touted. It has been consulted thoroughly throughout the labour movement and agreed to by this House.

There is the issue of work related illness and injury. This is very interesting and should be looked at very carefully in committee. Work related illness and injury has always been a bone of contention and I will use the railway industry as an example. It is one that I know very well.

It is a known fact in the railway industry that when there are work related injuries and illnesses employees are subjected to discipline. It is very easy in the railway industry to suggest that an employee maintained an unsafe work practice which caused the illness or work related injury. An individual is given demerit marks in that situation and if enough are accumulated that individual is dismissed.

Under the proposed amendment the regulations of the work related illness and injury proposal are the keys. What are the regulations the Minister of Labour is suggesting? They are important. The possibility of reassignment for the employees and how that will be done in certain industries like the railway will have to be looked at very carefully.

We on this side of the House are very concerned that the Minister of Labour has come forward with an amendment to the Canada Labour Code without the consultation of the organized labour unions and groups in this country. We on this side of the House feel it is very difficult for us to support this bill without some very significant amendments. We feel very let down by the Minister of Labour because he has not given the consultation process an opportunity to work before slipping in the amendment he has referred to as a proposal for a directed vote on the employer's last offer.

• (1650)

Let me talk somewhat specifically about the employer's last offer and this amendment as it relates to the collective bargaining process. The collective bargaining process is a very precise science and there are times when it will break down.

I can understand the minister's frustration when we look at the situation that took place in Yellowknife in the mining industry when the minister allowed that particular volatile situation to fester for months and months. Of course we all know about the deaths of the miners in the shaft that particular day because of the lack of scab legislation and the replacement workers who were allowed to work in that particular mine.

The excess infringement on the collective bargaining process is really what we are talking about here. We are also talking about what is best for the public interest as it relates to strikes or lockouts in areas of federal jurisdiction. I have difficulty understanding why the minister is suggesting that he does not have the tools, the ability under the present system to allow the present collective bargaining process to go through its normal course. If the mediation, the conciliation breaks down and in the event of a strike he still has the ability under the current system to bring back to work legislation into this House, as we have seen on numerous occasions.

That is the ultimate test of the public interest and the necessity for the good of all Canadians. We are really talking about the collective will of the people of this House making a decision that a strike or lockout is not for the good of all Canadians and therefore a decision has to be made.

As has been alluded to in this House, there are jurisdictions that have a directed vote on the employer's last offer and there are some different scenarios. Let me just relate to two that I think are good examples of how we may be able to make amendments to this particular issue of a directed vote on the employer's last offer that the minister has thrown on the table for us today.

In Ontario if there is a strike the minister can intervene by requesting that there be a last offer vote taken by the employees. The intention of that particular piece of legislation in the jurisdiction of Ontario is not to intervene in an offer made by the employer before the continual process is done. It allows the public interest to come forward after there is a prolonged strike, a complete breakdown in negotiations and the public at large is unduly affected by it. There has to be a necessity for the government to react.

The Saskatchewan Trade Union Act and the Labour Relations Board allow for a vote on the employer's final offer after a strike has gone on for 30 days. That is not what we are talking about here. We are talking about the minister having the ability to circumvent the collective agreement during any open period of the collective bargaining process. The employer can say to him: "This is my final offer. We are not going to negotiate any more. We request that you put this to the employees to see what they will say about it". That is a very scary precedent for the government to want to set.

It will set back the labour relations process in this country 20 years if the minister has the kind of powers to infringe in the collective agreement process that has worked very effectively in the past. There is no reason why the minister now should have any more powers than he already has under the particular piece of legislation which deals with industrial relations.

This is a very fragile science, as I said before, if you tip the pendulum one side or the other. It can be argued in the province of Ontario that the provincial NDP has tipped the pendulum too far on one side for the employees which is a bad thing. Then you can take a look at the labour relations situation in a province such as Alberta where the pendulum is too far for the employer's benefit which again is not a good process.

The object of a good labour relations policy in this country is to make sure that there is fairness within the system for both sides. I do not suggest that this minister would use this kind of power, but there may be ministers who will come along and use this kind of power to the detriment of the whole process. I would think before this party could support this kind of legislation that this amendment would have to be looked at very strongly.

In conclusion, I would suggest to the Minister of Labour that before he would get support from all members of the House he would have to give us a good explanation as to why he would want this amendment passed.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am very pleased to join in the debate on this bill. As members and the public I presume have already gathered, what the bill does is make amendments to the Canada Labour Code and to the Public Service Staff Relations Act.

There are many provisions to commend this bill with respect to the amendments to the Canada Labour Code. Regrettably the government has chosen to do what seems to be a growing pattern in legislation which is to take some very admirable provisions that have been worked on long and hard and discussed with all interested parties—the stakeholders in the government's jargon—and bring those forward. Then at the last minute without warning, without discussion with anybody, it throws in something which it knows is unacceptable and in essence hopes those affected by the legislation will swallow the poison with the sugar.

I do not think we are quite prepared to do that. It is regrettable because this bill, between the two acts it amends, affects one million workers in Canada. That is a sizeable proportion of our work force and deserves major attention from members of Parliament.

Up until the point where the government decided to add its bit of arsenic to the bill we had an approach that was a model of the collaborative co-operative approach that the Minister of Labour has been promoting, at least in the private sector. It was an example of the kind of approach that should mark management-labour relations in Canada.

There had been extensive consultation with organized labour, with employers, over the last two years and there had been full consensus around the kinds of amendments that were needed, particularly with respect to minimum conditions of work.

This hopefully is the kind of management-labour relations we are trying to foster in Canada so that we are able to be competitive, to have a functioning healthy management labour climate, so that Canada is going to be able to deliver on its commitments, whether they are government commitments or commitments to the private sector.

I want to particularly congratulate all those involved in the discussions that lead to those portions of the bill on achieving a model of how management labour relations hopefully will function in the future.

[*Translation*]

I want to congratulate the minister and the others for the proposed amendments which will give greater flexibility to the provisions concerning parental leave thus helping parents to strike a balance between work and—

The Acting Speaker (Mr. DeBlois): Order, please. The minister of Labour, on a point of order.

Mr. Danis: Mr. Speaker, I believe my hon. colleague for Ottawa West—

[*English*]

—is the last member to make a speech on this bill. I wonder if I could ask the House for unanimous consent to allow the hon. member for Ottawa West, and I know we all want to listen to her speech, finish her speech. I am sure we would all appreciate it if she could complete it today and perhaps afterward we could proceed to a vote. I think particularly of the 6,400 women who could benefit from this bill this year if we had it as soon as possible. However, I leave it in the hands of the members of the House.

Mr. Flis: Mr. Speaker, how hypocritical. This is the same minister who just minutes ago stood up in this House and brought in time allocation—

The Acting Speaker (Mr. DeBlois): I do believe that there is no unanimous consent.

It being five o'clock p.m., pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

Mr. Harb: Mr. Speaker, I rise on a point of order. There have been consultations among the parties and independent members and I believe you will find that there is agreement to adopt at this point in our proceedings my private member's Bill C-371, an act respecting a national child day, at all stages, including committee of the whole, without debate.

Mr. Danis: Mr. Speaker, I am not aware of this so I cannot give consent, but I am ready to check. However, at this time I cannot give consent.

The Acting Speaker (Mr. DeBlois): There is no unanimous consent.

Mr. Flis: Mr. Speaker, the hon. member did approach me to find out whether he could take time from my private members' hour to do this because there was agreement from all three House leaders. Therefore, I am wondering if the government side would reconsider and live up to its commitment of offering unanimous consent.

[*Translation*]

The Acting Speaker (Mr. DeBlois): When the question was asked, unanimous consent was not given. However, if the same hon. member wants to ask for unanimous consent again later, the Chair will entertain his request.

* * *

[*English*]

POSTAL RATE SUBSIDY

REMOVAL OF SUBSIDY ON DIRECT MAIL ADVERTISING

Mr. Jesse Flis (Parkdale—High Park) moved:

That, in the opinion of this House, the government should consider the advisability of removing the postal rate subsidy for all firms using direct mail advertising and not using recycled paper.

He said: Mr. Speaker, in keeping with Canadian interests of implementing and putting into practice programs of sustainable development, I move:

That, in the opinion of this House, the government should consider the advisability of removing the postal rate subsidy for all firms using direct mail advertising and not using recycled paper.

This motion is a result of the complaints I have received from many of my constituents about the huge volume of junk mail placed in their mailboxes. The rules of the House of Commons prohibit me from using props although I hardly need to illustrate the huge volume of paper advertising left on the front doorsteps or shoved into mailboxes every week: flyers, coupons, contests. According to Ed McMahon, he can comfortably retire on the millions he has supposedly won from publishing houses.

I received another bundle of junk mail from a constituent, Alan Upton. With this package of junk mail he attaches a letter which says: "Dear Sir, the attached flyers represent 10 days of delivery, month in and month out, year in and year out, to nearly every household in this country. The decimation of trees and landfill required to hide it is monumental and criminal. When in the name of reason will something be done? Or is it beyond the powers of the House? That which is so obvious and so curable continues unabated. Signed, Alan Upton". As he said, this is delivered to every household in Canada.

The challenge is a very serious matter and must be addressed by all departments of government but especially Canada Post. Canadians are alarmed by the depletion of our growth forests and for what? We are cutting down valuable resources needlessly. Should we not be using recycled paper instead?

I am not saying that print advertising should be abolished. When you take into account the flyers carried in daily and weekly newspapers, I am aware that close to 200,000 Canadian jobs rely on printed advertising. It is an integral part of the free market process.

What I am saying is that we need to reconsider our priorities. In just a few short years there has been a tremendous effort to verse Canadian consumers in the three Rs of sustainable development, reducing, reusing, recycling. We should add another R and that is the R of rethink.

One of my constituents, an environmentally concerned citizen named David Alexander, suggested to me that in consideration of this motion we need to rethink our approach to advertising, rethink our approach to distribution. We need new, creative ideas.

How about giving a break to advertisers using recycled paper? A cheaper rate should be available from Canada Post for companies using recycled paper in their advertising materials. My constituents of Parkdale—High Park suggest that we take this idea one step further and provide a lower postal rate to companies using 100 per cent recycled paper products in their advertising, a higher postal rate for companies using less than 100 per cent, with the highest rate being charged for products using no recycled paper content, technically known as post consumer fibres.

Currently Canada's booming paper recycling industry must now import used paper from the United States just to keep up with the demand for finished recycled paper products. There is no shortage of public support for this kind of activity.

In all fairness I must mention that Canada Post is often singled out as the sole distributor of junk mail. This is not a fact. According to Canada Post, the corporation only delivers 25 per cent of all unaddressed print advertising. The remaining 75 per cent must find its way to our doorstep through private distributors. It may seem unfair to Canada Post but an example must be set by one of the largest single distributors in Canada.

This motion represents an excellent opportunity for Canada Post to become a corporate leader, a good corporate citizen, in the field of sustainable development.

Some people say Canada Post should be told not to deliver any junk mail. In response, many environmental groups have launched anti-junk mail campaigns. These groups encourage households to refuse junk mail by placing stickers directly across their mail boxes. This is a practical solution because what is junk mail to one householder is precious information to a neighbouring household.

Unfortunately Canada Post will continue to deliver junk mail regardless of any stickers. The corporation maintains that its role is only to deliver the mail and not to scrutinize its contents.

My rebuttal to Canada Post is that I have made the choice whether I want junk mail or not and if I put that sticker on my mailbox I have made the choice. I do not want the third class or the junk mail. The postperson does not have to worry about making that decision. These facts only reinforce the need for this motion.

• (1710)

I must congratulate the corporation, however, for taking the initiative of establishing the multi-stakeholder print advertising committee in June 1992. This committee consists of industry representatives, corporation officials and municipal authorities. According to my research, consumer representation appears to be missing. The mandate of this committee is to examine the environmental impact of waste related to junk mail. This is a worthy effort but it is time for action.

With this motion let us send a clear message to all Canadians that it is the will of this House to take steps toward preserving our environment.

Mr. Speaker, I seek unanimous consent of the House to declare this motion a votable motion. I have given notice to the three House leaders that I intend to do this.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

An hon. member: No.

[*Translation*]

Mrs. Nicole Roy-Arcelin (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I would like to thank the hon. member for Parkdale—High Park for giving me this opportunity to confirm the government's commitment to public support for the distribution of Canadian publications.

As for the hon. member's motion concerning the advisability of removing the postal rate subsidy for all firms using direct mail advertising and not using recycled paper, however, the answer is quite simple: postal rate subsidies do not apply to direct mail advertising.

Perhaps I may explain the purpose of the postal subsidy program which was created over 100 years ago. Its latest official title is the Publications Distribution Assistance Program. The program is used to subsidize postal rates for newspapers, magazines and books.

Under an agreement, the Department of Communications pays subsidies to the Canada Post Corporation so it can offer rates below the commercial rates to certain Canadian publications.

In other words, the losses involved in offering preferential postal rates to Canadian publications are compensated by the government.

These subsidies go back to the beginning of our postal services, when the government introduced preferential rates for newspapers and, a little later, for magazines. At the time, these publications were among the few means of communication and education, and the government wanted printed matter to be affordable for all Canadians. In fact, preferential rates existed before Confederation. Over the years, classes and rates have become increasingly complex.

As part of an extensive series of cutbacks initiated in December 1989 to reduce the deficit, the government decided to gradually phase out the postal subsidy program of $220 million annually and replace it with a $110 million direct assistance program.

On June 27, 1990, the then Minister of Communications announced the government's decision to phase out the Publications Distribution Assistance Program by the end of March, 1994. After that date, the postal rates for these publications will be the same as current commercial rates. However, new programs administered by the Department of Communications will replace the preferential rates.

The decision made at the time was twofold: first, to concentrate on supporting the most vulnerable sectors of the publishing industry, in other words, subscription-funded magazines, small community weeklies and the book sector; and second, to eliminate the support enjoyed by foreign-owned publications, dailies and small circulation publications.

When the announcement was made in 1993 the minister described two major implications of the new program. First of all, there would no longer be any distinction between paid magazines on the basis of content. Furthermore, publishers would no longer be obliged to use the services of Canada Post since they would now be able to use the distribution system of their choice. We are now engaged in consultations with the industry to establish the exact structure and eligibility criteria for the new programs.

Culturally speaking, the Canadian magazine industry is in good health. However, it still needs government policies that provide financial support. Because of the favourable climate created during the past 15 years, the Canadian publishing industry has been able to conquer an increasing share of our market. Today, that share is 40 per cent.

The postal subsidy program benefits this country's publishing companies, advertisers, retailers and last, but not least, readers. That is why it cannot be changed without giving due consideration to our cultural, industrial and social objectives. What are those objectives? To ensure that magazines, small community weeklies and books remain accessible to all Canadians and to maintain conditions that promote the development of Canada's publishing industry. The new programs will target companies that are owned and controlled by Canadians and which publish books, subscription magazines or small community weeklies.

Thanks to these programs, Canadian publishers will enjoy the support they need to survive and prosper during the 90s.

[*English*]

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to participate in this debate this afternoon. I support this motion.

Last year 3.743 billion pieces of junk mail were mailed through Canada's post offices. That represents over 140 pieces for every woman, man and child and infant in the country.

Junk mail is trashing our forests. These unsolicited bulk mailings are a tragic and inexcusable waste of one of our most valuable resources. To make matters worse, Canada Post is engaging in an aggressive campaign to encourage businesses to pump out more and more junk mail and it is doing it with the blessing of the federal government.

My colleague, the member for The Battlefords—Meadow Lake, wrote to the minister responsible for Canada Post in June 1990, urging him to have the government introduce legislation to offer preferred rates only to advertisers using 100 per cent recycled materials.

There is no reason why the government cannot insist that preferred rates are given only to those using recycled materials. It is simply a question of political will.

Just to give an idea, unlike what the government member previously said, there is a subsidy for junk mail. We all know that it costs us 43 cents to mail a first class letter to any home in Canada. Canada Post ad mail rates allow businesses to mail a flyer to every doorstep in the same community for a mere 8.3 cents per flyer. If that is not a subsidy, I do not know what is. That is an 80 per cent reduction in costs. That is some subsidy.

This issue goes to the very heart of the role that Canada Post plays in our society. The Conservative government maintains that Canada Post should act as a private business and profit should be the bottom line. The New Democrats say that Canada Post should provide the best service it can to Canadians with a view to self-sufficiency and not to making a profit.

To give an example, I recently learned that any mail posted in Victoria on Friday or Saturday is not processed in our community. Oh, no. It is sent over to Vancouver for processing and then sent back to Victoria. We cannot even have next day delivery in our own community. This is a downsizing in service and a downsizing in jobs to the detriment of service in our community.

This is an issue that I, like the member who put forward this motion, get complaints about from angry constituents. It is particularly so in British Columbia where it is our forests that are being chopped down to provide this junk that arrives in our post office boxes.

There are alternatives. Sixty per cent of the revenue of Canada Post flows from this junk mail. This government could have a vision such as the one put forward by my colleague, the member for The Battlefords—Meadow Lake when in April 1990 he put forward a 55-page vision of Canada Post's new role in Canadian society for generating more revenue. That means more service to Canadians and not less service, which is the way this government is acting.

• (1720)

He put forward some suggestions. To ensure that the corporation moves ahead with the development of more service to Canadians we recommend that additional new direction outlets be provided, new retail products be sold at the wickets throughout consumer's post and financial services offered at all counters, especially in rural and remote areas.

Those of us who represent rural areas of Canada are reminded frequently by constituents in those areas about the downgrading in service in Canada Post and how they feel like second class citizens because of the poor service Canada Post provides.

Offering packaging and wrapping services at postal stations and post offices is another service that could be provided by Canada Post. It could introduce electronic mail services, expand the contracted in-parcel distribution system and extend the hours of federal post offices.

The motion before us is an important motion. We support it as a means of encouraging Canada Post to take one little baby step to stop pillaging our forests to provide junk in our mail boxes. If that is not a wacko idea, I do not know what is.

It is only the beginning. I invite all the people who are watching today and listening to this to write to the New Democrats to find out about their vision of how Canada Post could not only improve service to Canadian consumers but also increase the revenues to Canada Post so that it could be self-sufficient and really serve the needs of Canadians.

The Acting Speaker (Mr. DeBlois): There being no further members rising for debate, the time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

Mr. Harb: Mr. Speaker, I rise on a point of order.

It has been established with the associate House leader, the House leader for the Official Opposition, the House leader for the NDP and all the Independents in this House, after consultation on all sides of the House, there is agreement to adopt at this point in our proceedings my private members' bill, Bill C-371, an act respecting a national child day, at all stages, including Committee of the Whole, without debate.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to consider the request made by the hon. member for Ottawa Centre?

[*English*]

Mr. Edwards: Mr. Speaker, this is a very awkward moment for me.

I have been working with the hon. member for Ottawa Centre, as has my colleague, the parliamentary secretary, on this in good faith for a long time. No one has displayed more good faith than the hon. member for Ottawa Centre. He has a sincere desire to see this motion passed and so does every member of this House, I think.

The difficulty I have is this. I am given to understand that there has not been a formal consultation on this particular matter. I thought there had been until just a few minutes ago. I have to say to my friend and to the House that until that consultation takes place I cannot give the consent that he is seeking.

It is a bitter disappointment to my friend. I can assure him that I will do everything I can to make sure that this gets revived at the earliest opportunity.

Mr. Harb: Mr. Speaker, yesterday I spoke with both the government Whip as well as the associate House leader and both gave me their assurances—

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. I think that all the Chair needs to know is whether there is unanimous consent. I see that there is no unanimous consent.

As for what else was said, asking for better co-operation and so on, I ask hon. members to consult one another and when they have come to some conclusion to notify the Chair and the hon. member can again present his request to the House.

SITTING SUSPENDED

The Acting Speaker (Mr. DeBlois): I therefore suspend the sitting until six o'clock, the time for the adjournment motion.

At 5.25 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 6 p.m.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to return to a question I asked of the minister of fisheries exactly three months ago today.

That question related to scientific advice which was released by his DFO scientists concerning the crisis in the Atlantic groundfish stocks. That advice recommended deep cuts in the order of 70 per cent and in some cases as high as 82 per cent in the cod quotas in the zones in the Gulf of St. Lawrence and on the eastern part of the Scotia shelf off of the coast of Cape Breton, those zones which surround my constituency of Cape Breton Highlands—Canso.

The advice by the scientists in November followed similar recommendations which were released earlier in 1992 and which led the minister of fisheries at that time to impose a moratorium on the northern cod fishery off the northeastern coast of Newfoundland, accompanied by a generous program of compensation for the 20,000 fishermen and fish plant workers that were affected in those communities.

The November advice led the minister of fisheries a short time later to impose dramatic quota cuts in the Gulf of St. Lawrence and on the eastern part of the Scotia shelf to the tune of about 70 per cent which will throw a large number, hundreds, of eastern Nova Scotians out of work and will threaten the future of several fishing communities in my riding.

On November 23 I asked the minister to provide details of a compensation plan that he would put in place to assist the people and the communities affected by these quota reductions. The minister at that time did not have a compensation plan in place and he still does not have one today.

What he did on December 18 when he announced the 1993 management plan was to tell those people affected that they would have to be satisfied with the existing programs, mainly unemployment insurance, until such time as the seriousness of the crisis would be better known.

The existing programs were not adequate to deal with the cod moratorium and the crisis in the northern cod fishery in Newfoundland and they are not adequate to deal with the crisis in the gulf and the eastern part of Nova Scotia. They are not adequate to deal with the fisherman from Chéticamp who is facing the loss of his livelihood and who at 50 years of age has invested his entire life savings in his boat and in his fish quota which is now worthless.

They are not adequate to deal with the fisherman from Ballantynes Cove in Antigonish County who is a bona fide fisherman who followed that policy in good faith and is now facing the disappearance of his policy and facing the loss of his licence and again the loss of his livelihood.

They are not adequate to deal with the fish plant worker and the companies which employ people on draggers who are now obliged to guess at harvesting plans that the minister told companies and fishermen they had to put into place but which they have not received any guidelines about.

The compensation plan is not adequate to deal with those fish plant workers who are reaching 50 years of age and who are facing premature retirement because of the dissipation of the fish stocks as a result of this government's mismanagement of that resource.

What is needed is a comprehensive fish compensation and adjustment package that will combine a number of elements: income replacement for the fishermen and fish plant workers who are facing a loss of income. There are many more elements which if I had more time I would deal with.

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, a number of questions have been asked by the member for Cape Breton Highlands—Canso. Let me reiterate what the Minister of Fisheries and Oceans stated when responding to the hon. member on this very question previously.

The federal government has been responsive in the past and continues to be responsive to the urgent needs of Atlantic Canada. Together with the province of Nova Scotia, the federal government has funded an early retirement program for older plant workers who have been permanently laid off due to plant closure.

The plant workers adjustment program provides income assistance to workers who traditionally have more difficulty finding work, that is those who are between 50 and 64. Similar programs exist with the governments of Newfoundland and Labrador and New Brunswick.

The Minister of Employment and Immigration has made funds available on an emergency basis to workers who are unable to secure sufficient weeks of employment to qualify for UI benefits. Clearly, however, long-term solutions are required to achieve a better balance between the resource base and those in the harvesting sector who are dependent on it for their livelihood.

To achieve this balance, the Minister of Fisheries and Oceans has announced that beginning in 1994 only professional fishermen with a genuine attachment to the fishery will be eligible for licences. For this year, groundfish licences that were inactive in 1991 and 1992 will be frozen but may be reissued in future years pending consultation on new licensing criteria. These licensing measures are designed to ensure that professional fishermen who earn their primary income from the fishery are not denied a livelihood.

This spring departmental officials will consult with the provinces and territorial governments, fisheries organizations and the fishing industry to define the criteria for professional status upon which licensing rules will be based beginning in 1994.

For those who leave the fishery there are government programs available through CEIC to assist in the transition to other employment. The Atlantic groundfish industry must be rebuilt. This government is ensuring that this is done in such a way that the needs of those affected are looked after.

REFUGEES

Hon. Alan Redway (Don Valley East): Mr. Speaker, you have probably received an awful lot of calls and an awful lot of letters concerning Bill C-105, the former unemployment insurance bill that was debated in this House recently. I am sure you received a lot of those and I did as well.

I received far more calls and far more letters concerning a Somalian refugee claimant who is currently living in Toronto, one Kadinga Guran, the wife of General Mohammed Farrah Aidid.

According to a number of television reports the general is one of the most powerful and one of the most ruthless warlords living in Somalia right now. According to these reports he is, in fact, one of the primary people responsible for the horrible situation which we find in Somalia today. What we hear from these reports is that the general, this warlord, has two wives. One of them is the refugee claimant in Canada who is living in Toronto. Another wife is living in California in the United States.

The Toronto family is made up of the wife and four of the general's children. The California family is made up of another wife and another four of the general's children, one of whom apparently is serving in the United States Marine Corps at the present time in Somalia as an interpreter.

Again, according to one of these television reports that I happened to see called *Current Affairs*, the general, the warlord, is a United States taxpayer and he purchased a house in California as far back as 1983. On the other hand, the warlord's wife who is in Toronto is a refugee claimant who, along with her four children, is living in a three bedroom subsidized apartment receiving welfare in the amount of some $1,700 a month from Canadian taxpayers. Again according to these reports the Canadian refugee claimant in Toronto who is apparently here because she fears for her life if she ever returned to Somalia did in fact return to Somalia and visited her husband, the warlord, for about a four-month period, all the while collecting and continuing to collect welfare in Canada. While in Somalia this Canadian refugee claimant was recorded by reporters there making speeches and campaigning to keep the United Nations out of Somalia.

• (1810)

Is it any wonder at all that my constituents and I in fact ask the minister why in the name of heaven our tax dollars are being spent this way. Is this perhaps another Al-Mashat case? Why is it that somebody like this cannot be sent back, deported immediately without any further delay?

Can the minister really guarantee all Canadians, as he tried to when I asked this question in the House, absolutely and unequivocally that the new law, Bill C-86, is going to prevent this sort of thing from ever happening again? Let us hear from the minister tonight. All Canadians are interested in hearing the answers.

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the hon. member as a former cabinet minister should be aware and I am sure is aware that privacy legislation prevents the government from commenting on a specific case in a public forum. He knows that. He is making cheap political hay with something he is much better equipped than to do.

The member is also aware if there are allegations made against persons in Canada regarding their immigration status, these are investigated by immigration officials.

With regard to the allegations concerning welfare fraud, I can only say to my hon. friend that it falls under the jurisdiction of municipal and provincial authorities.

TAXATION

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I would like to take this opportunity to follow up on the question I asked on February 10 which relate to grants in lieu of taxes.

The freeze announced on December 2, 1992 in the economic statement was done without prior consultation with Canadian municipalities. Most municipalities had already established their 1993 budgets. The freeze will mean to these municipalities $80 million in lost tax revenues for municipal coffers. Obviously that means municipal taxpayers will be on the hook for those lost revenues.

The Federation of Canadian Municipalities recognizes that something needs to be done in order to address the rapid increase in grants in lieu of taxes. Of course the argument is that since 1987 the cost of the grants in lieu of taxes to the federal government have gone from $215 million to $438 million in 1992.

Any changes in how grants in lieu of taxes are calculated must be done in consultation with the municipalities. In the meantime I would like to see the government remove the freeze and lift the unnecessary burden on Canadian municipalities until the whole issue of the restructuring of the formula and the problems that this formula is creating as far as the federal government is concerned are addressed.

In the House the Minister of State for Finance and Privatization suggested that was not what the municipalities wanted. Of course he was misinformed. I would like to clear the record by reading the press release by the Federation of Canadian Municipalities:

> The Federation of Canadian Municipalities will continue to press the federal government to lift the freeze on its share of municipal taxes applicable to federal property.

The federal government has a legal and moral obligation to pay its fair share of taxes. The federal government has broken a 40-year tradition by arbitrarily imposing a freeze on grants in lieu of taxes. In the past the federal government resolved its difference with Canadian municipalities through consultation and negotiation. Further I would like to ask the government why it has not introduced legislation to amend the Municipal Grants Act when the department's own legal advice is that amendments will have to be made in order for the freeze to come into effect.

The government finds itself in a very interesting situation. On the one hand it is suggesting that there is a freeze to municipalities and that it will not be paying above and beyond what it thinks is necessary in its mind as the federal government which is a cost of $80 million to the municipality. On the other hand it has a legal obligation to change the Municipal Grants Act in order for the whole process to take place.

In order for us to get back to reality in this place, I would ask the government to consider lifting the freeze on grants in lieu of taxes as a sign of good faith and get on with working with Canadian municipalities.

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, for more than 40 years the federal government has voluntarily paid out grants in lieu of taxes on a wide range of federal lands and buildings. However, in recent years the cost of these grants has been escalating at a rate that is simply incompatible with our commitment to normal fiscal management such as seen in most Canadian households.

In the past seven years over-all government spending grew by 32 per cent. By contrast the cost of the municipal grants program increased by a whopping 78 per cent. This sort of continuous upward escalation is clearly not sustainable in the current environment when we are working very hard to contain government expenditures all across the board.

It was for this reason the Minister of Finance felt compelled to announce in his December economic statement that total grants for the coming year would be maintained at the current level of $424 million.

The Minister of Public Works who is responsible for administering the grants program is meeting with municipal leaders with a view to restructuring the program so as to make its application more equitable across Canada.

THE ECONOMY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, some time ago I asked the Prime Minister about the economic policy of his government and pointed out that after almost nine years of Progressive Conservative government Canada has over 1.6 million unemployed, over one million children living in poverty, and over 2.6 million people trying to exist on social assistance.

In addition consumer and business bankruptcies are at record high levels and continue to grow, and the farming community is in the worst crisis in living memory.

My point was and remains that something is wrong when 16 per cent of Canadians are unable because of government policies to play a role in the economy and earn a dignified living.

We hear about a jobless recovery. What does that mean to those 4.2 million Canadians who have no job and have at the present time no hope of any job? What does it say about a government which can talk in terms of a jobless recovery without any pangs of guilt or unsettlement?

All these numbers are worse than those of other developed countries. Perhaps the only country we compare favourably with is the United States and then certainly not on unemployment figures. If we look at countries in Europe, particularly those with social democratic traditions, Sweden, Austria and Norway, for example, they have all done much better than Canada. They have much lower poverty rates, sometimes only 20 per cent of Canada's rates. They have much better rates with regard to inflation and interest. Their currencies are strong. They are experiencing problems but all those countries have records which are infinitely better than Canada's.

The Prime Minister in response to the question said the government would stay the course and we restated the government's old, worn-out nonsense. The government inherited a debt of $160 billion from the Liberals, generated mostly in good times, and almost tripled it. Of course the Liberals did not learn a lesson in Ontario where the last four years of the Ontario Liberal government were the best four years in Ontario's economic history and yet a huge deficit was built there too.

• (1820)

The Conservative government took a debt and almost tripled it. It inherited an unfair tax system from the Liberals who had already begun the shift in tax from rich to middle and low income Canadians, from income taxes to consumption taxes and from corporations to individuals. The Conservatives made it more unfair, adding about $4,000 in taxes to family tax burdens in Canada.

Adjusted federal-provincial funding arrangements to ensure that massive cuts to health and education were imposed upon the citizens of our province again was a strategy begun by the Liberal governments in the 1970s and 1980s.

We have increased deficits, increased taxes, reduced services, increased consumer and business bankruptcies and increased problems in the farm community. Yet the Prime Minister says, stay the course.

We know these are not easy issues with easy solutions. However this government wants to continue with a process which has given us such disastrous results. At least this government does have a plan, unlike the Liberals who have no plan at all. We may not agree with the government's plan but at least it speaks out with some plan.

New Democrats have a plan which puts people first. That is all that I ask, that we have an economic system and a government which when making economic decisions puts people first instead of putting people last.

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, it is important to recognize that the government has set out a concrete vision and plan of action to promote economic growth and bring public finances under strong control.

We are continuing to follow that plan. Both the International Monetary Fund and the Organization for Economic Co-operation and Development strongly support the structural framework our government has put in place. In its most recent forecast, the OECD predicted that Canada will lead the G-7 nations in growth in both 1993 and 1994.

Canada has only recently emerged from a prolonged world-wide recession which shook, and in many instances continues to shake, the economies of the world's leading industrial nations. The recession was heightened by industrial restructuring, trade liberalization and accelerating technological changes which are changing forever the methods by which economic success can be achieved. Canada is not immune to these changes.

To meet the challenges of globalization, it is imperative that we raise our level of economic productivity. To do so, we must continue to invest in modern capital, new technologies and worker skills. It means continuing to implement policies which help to create a stable macroeconomic environment which is conducive to productivity enhancing investment.

For example, the low inflation rate we currently enjoy is a product, among other things, of a disciplined monetary policy and fiscal restraint. It has resulted in lower interest rates and is expanding opportunities for people to work, invest and innovate. We must also continue our efforts to bring our national finances under strong control.

Canada's experience has clearly demonstrated that higher spending and greater deficits will not create lasting jobs. They lead only to higher interest rates in the short term and higher taxes down the road. We remain committed to reversing the debt legacy left to us by the previous government.

Accordingly we will continue to invest in fiscally prudent policies. Both the February 1992 budget and the recent economic statement reflected our commitment to contain pressures on the deficit through spending restraint and spending reallocation.

Only by tightly controlling government expenditures can we expect to establish an economic climate that supports and rewards productive investment. However I want to assure this House—

The Acting Speaker (Mr. DeBlois): I am sorry, but the hon. member's time has expired.

TRANSPORTATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I rise tonight to question the government concerning a query I raised in the House of Commons some time ago on the Gemini workers in Winnipeg.

It is my contention that the government really has no sound approach to transportation. It has no logical, well laid out transportation policy. We all know that the airlines are in crisis and our rail industry is having serious difficulties as well.

My question was about those 800 Air Canada Gemini workers mostly in Winnipeg whose high-tech well-paying jobs were being threatened by the proposed merger at the time. This has not really been resolved and these people continue to wonder what is going to happen to them.

We need to realize as parliamentarians that one of our main jobs is not only to scrutinize the expenditures that are undertaken by government, but also to try to ensure that those who are working can remain at work. If they cannot remain at work, at what they were trained for, they should be able to go elsewhere and practice the trade or occupy the role or have the programs that are needed so that they can fit into Canadian society.

To me on that particular day, the minister's response showed a lack of understanding of my question. I asked what is going to happen to those Air Canada workers, to the Gemini workers, to Canadian workers? What kind of plan has the government got to make sure that they resolve this to the mutual benefit of everybody?

It also raises other equally important questions. What is it that a government might do in order to protect—and I do not say that in a pejorative or negative kind of way—workers, men and women with families who want to ensure that they keep their job? If they cannot, can they go elsewhere and do it? If they have the skills and training to undertake something else will it give them the remuneration they require in order to support their families and themselves?

[*Translation*]

Mr. Speaker, that essentially is the most important principle for me: what will happen to those workers? Is the government doing something? If the government has not yet managed to find a solution, does it intend to find one soon?

[*English*]

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member opposite dreams of saving the airline industry in one fell swoop. I wish it was that easy. All we have to do is tell the air carriers how to run their businesses or have further government interference in business.

The hon. member opposite is saying that any business should it get into trouble should not have to worry. It can count on the government stepping in and fixing everything.

Members opposite do not like to hear it but statistics are there to prove it. Deregulation in the transportation industry is working well in Canada. Deregulation brought about new and better service for consumers and Canadian communities alike.

The airline industry has been hit hard by the gulf war resulting in higher prices and an international recession. People stopped flying to the extent they had prior to the recession.

The airline industry throughout the world, not just in Canada, is facing a crisis now. We on this side of the House are working with individual carriers, companies on their individual cases.

The hon. member is fully aware of the number of programs that governments have established over the years in dealing with assistance to companies and also in dealing with individuals should they run into difficulties with their employment.

It is clear that the Department of Transport and the Government of Canada have a policy on transportation that is working well in this country. We are having some difficulty with the recession. These problems too will pass.

I would like to say in closing this means what the minister has been saying all along. We have to look at the issues facing the industry together and we have to work with the industry to help solve the problems.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted.

Accordingly, this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, February 24, 1993

The House met at 2 p.m.

Prayers

[*Translation*]

TRIBUTE TO RIGHT HON. BRIAN MULRONEY, PRIME MINISTER

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I rise in this House today with some emotion. I really wonder what snowstorms can do to our prime Ministers.

[*English*]

When there is a snowstorm, something happens to the Prime Minister of our country. This is the second time I have seen that.

• (1405)

I have known the Prime Minister for a long time. We have known each other since the early 1980s. Now that he has announced he is quitting it is not without emotion that I want to salute him.

Of course he has done great things for his party. The fact that he has won two majorities in a row deserves a lot of credit because it is extremely hard to achieve. It is something that I hope to achieve some day.

The tenure of the Prime Minister has been remarkable in many ways. He has brought to this country a lot of changes. History is always the best judge of these developments. We did not always agree with them. I have to say that the Prime Minister was truthful to his political doctrine and he tried to implement these approaches as much as possible in this moderate country of ours.

I have had some experience with coming to the House of Commons, quitting and then coming back, so I have to be a bit prudent today. However, when I quit I remember that the Prime Minister in 1986 said he had a lot of scars to prove he was a fighter. I have a lot of scars also to prove that he is quite a fighter.

The nature of politics leads to disagree very often but now we have agreed. We agreed especially about Canada in the 1980 referendum, the patriation of the Constitution in 1982 and we agreed last fall on the Charlottetown accord. Now that he is leaving we have to pay respect to him for the hard work and the dedication that he has shown because it is not easy to be a Prime Minister these days. It is not easy for the person involved as well as for the family.

I see Mrs. Mulroney and the children in the gallery today. It is a difficult situation today where they face not only us but the hard scrutiny of others. I want to say to the Prime Minister and his family that they have acted with great grace and class.

I would like on behalf of my party to wish the Prime Minister and his family a very good life together. It is a great family. They share great family values and they will be happy to see the Prime Minister have more time with them and peace of mind too.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Chrétien: I would particularly like to say to the people in the region of Baie-Comeau, his home town, who supported him that I want to congratulate them on placing their confidence in a son of their town who became the leader of his party and managed to achieve something which is very difficult in Canada: to win two elections with two consecutive majorities.

We did not always agree, as I just said, but what is important and what we find on days like today is that despite our political differences, everyone who sits in this House wants only one thing: to try to improve the lives of their fellow citizens. When someone who has led his party for 10 years and has been Prime Minister for eight and a half decides to bow out, we must thank him for

what he has done for his party, his constituency and his country.

So on behalf of the Liberals, I would like to offer the Prime Minister and his family our best wishes. May you have very good years together.

• (1410)

I also hope that following the election which will be held in the coming months, Mrs. Mulroney will tell the Prime Minister not to do what I did and come back. Although the Prime Minister and I have dreamed for years of the big battle, it will always remain a matter of speculation. We will not have an opportunity to fight it, but in spite of that I would like to offer him our tribute and our best wishes for good health so he and his family can have very many years of happiness together.

Some hon. members: Hear, hear.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it is with great pleasure today that we put aside our political differences. I have an opportunity on behalf of myself and my party to wish the Prime Minister well in his future endeavours.

Some hon. members: hear, hear.

[*Translation*]

Ms. McLaughlin: Although we only rarely agreed, I wish to point out the years he devoted to public life. These years were not easy and the challenges were numerous, I am sure, but he often met them with courage and humour.

The House of Commons will no longer be the same. The contribution that the Prime Minister can still make in other fields will be appreciated.

[*English*]

I think all of us in public life realize that there is a great sacrifice. It is not to serve the public, which I know the Prime Minister has done with great pride and with great dignity, but certainly one's personal life must surely be affected by this.

I would like to wish Mrs. Mulroney and the family all the very best for the future, as well as the Prime Minister. I know that for the Prime Minister politics has been very much a family affair and it has brought great dignity to the Canadian people as well.

In thinking about my remarks today I thought that Prime Ministers are often remembered for grand gestures. Often the small kindnesses are not noted. I would like to mention something specifically about the kindness of this Prime Minister during the illness of our colleague Pauline Jewett when Mr. Mulroney took the time out to call her.

I know how much that meant to her. I know that it is not just for our colleague Ms. Jewett that the Prime Minister has done this. Those small kindnesses were taken by the Prime Minister. Sometimes it is not recognized by the public that politicians are even human beings.

On a very personal note, there is no one in this House who would not say to the Prime Minister that even when we did not agree, he did work from his political perspective in the interests of his country.

I want to conclude by offering my best wishes to the Prime Minister. My only disappointment is that the Prime Minister did not call an election today. I have to express that disappointment, Prime Minister. We do wish on this side of the House the very best to you and your family and thanks for the public service you have given to Canadians over the past 10 years.

Some hon. members: Hear, hear.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I too on behalf of my colleagues on this side of the House rise to pay tribute to an outstanding individual, an incredible person, a visionary and a dynamic leader who is the Prime Minister of Canada.

We express our deep gratitude for the decade of tireless effort on behalf of our party, Mr. Prime Minister, and for your leadership in piloting the nation in challenging and tumultuous times.

We always look at the personal side of these challenges and the way in which you have conducted yourself in meeting these challenges. As a person, those of us who know him know the Prime Minister to be a man of warmth, charm, compassion and wit.

• (1415)

He is always good natured and has never lost his sense of humour, not even in times of facing difficult challenges or the gruelling task of leading and governing.

For those of us who know him, he was always there to support us in times of need or crisis with a kind word or a generous act which provided that comfort and encouragement to friend or political foe. We appreciate the comments of the leader of the New Democratic Party

because that is very much the style of the Prime Minister.

To his friends, colleagues and staff he generated an atmosphere of intense trust and loyalty because he touches people in a deep and lasting way. He does so because he values the worth of individuals. He respects their beliefs and their philosophies and he truly maintains a deep and abiding interest in their affairs.

His family has been and always will be his priority, his children his pride and joy, and Mila, his partner, confidante and most loyal supporter. We all know that they have stood with him in times of triumph and setback. His love for family also reflects his deep belief in family values and the family as the cornerstone of our society.

As a leader, and particularly as leader of the Progressive Conservative Party of Canada, he has been an unqualified success and a master at bringing men and women together. His ability to lead a caucus representing all regions of the country is unprecedented. His ability to use the talents of caucus members in the decision-making process was both unique and progressive. His ability to lead and to unite is a result of his profound respect for every individual in our caucus.

For his care and concern about their welfare, their families, their regions and their communities, we are very grateful for that caucus relationship which was really a family arrangement.

Not since Sir John A. Macdonald has there been a more successful leader of our party. Our Prime Minister travelled the country extensively to get first-hand knowledge of all the towns and cities along with the wonderful people who make up this great country of ours, Canada.

He often said that Canada was a country made up of small towns and big dreams. As others have indicated, his main concern and passion was always Canada.

Under his extraordinary leadership abilities, our party experienced its most productive period. The party's base of support was broadened to all corners of the country and all walks of life, east to west and north to south. He has truly made our party national in scope. He has presided over an organization that was always well tuned, well financed and well organized.

He is a bold leader who has the record to prove it and history will judge it; so I am convinced.

Some hon. members: Hear, hear.

Mr. Mazankowski: Today, as the fifth longest serving Prime Minister in Canadian history, he has presided over the affairs of our nation in challenging and changing times. He prompted key changes during a time of world transition in a country trying to find its niche in a new world order.

The changes that he has promoted have been as logical as they were difficult to achieve. The Prime Minister has always acted decisively in all areas of national life.

On the issue of national unity, he has gone where only angels have previously trod and his fostering of Canadian unity has been second to none.

He has also acted to build a sound economy through progressive tax changes and the opening of trade markets so vital to Canadian interests. He has tackled the federal deficit through controlling government spending, and interest rates through controlling inflation.

• (1420)

He has promoted a compassionate society through the development of new initiatives to protect children and to target assistance to those in society most in need of it.

By working to ensure equal access and the economic integration of the disabled and by providing greater justice for aboriginal peoples he has moved Canadian society as a whole to new heights. His efforts in developing a national AIDS strategy, a national drug strategy, the family violence initiative, the breast cancer initiative and a national strategy on tobacco use illustrate his unending compassion for Canadians and the health and safety of their families.

He has, in the words of others, created "a model for the world" by taking action on the environment through the development of Canada's green plan and achieving the acid rain treaty with the United States.

On the world stage he has provided consistent leadership by promoting peace through Canada's involvement in some 16 UN peacekeeping operations. He has fought aggression by ensuring that Canada's military stood shoulder to shoulder with its allies to expel Iraq from Kuwait. He has always played a leading role in G-7,

Commonwealth and Francophonie summits, at which he ensured the sovereignty and security of Canada.

He has overseen Canada's election to the UN Security Council, an entry to the OAS and our active role in Haiti. By all measures he is a leader among leaders, viewed by his world colleagues with respect and called upon for advice and counsel.

If politics is a debate about the future then leadership is the courage to make choices, defend them, and champion them.

Mr. Prime Minister, you have done all of these things. For that we are grateful, and for that we thank you and we thank Mila and your family. You have served us extraordinarily well and we extend to you our warmest, kindest and best wishes.

Some hon. members: Hear, hear.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, "As a member of Parliament and a colleague he was witty and compassionate. He was partisan and caring. He loves Quebec and believes very deeply in Canada and has a unique and thoughtful way of expressing that". Can you believe that I said that about Jean Chrétien?

Some hon. members: Hear, hear.

Mr. Mulroney: He must have been leaving.

Some hon. members: Hear, hear.

Mr. Mulroney: In fact I did say that about him, but he promised me he would be leaving. That was on February 27, 1986 and so I noticed both the eloquence of his remarks today, for which I thank him, and the important caveat that he has made about return.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Mulroney: I would particularly like to thank the Leader of the Opposition for his thoughtful and generous comments regarding my wife and children. The fact is, we are friends and our families have been friends for some time. However, he did regret the fact that he and I would not be facing each other on the front lines in the next election.

[*English*]

The Leader of the Opposition expressed regret that he and I would not meet in the great battle.

• (1425)

I just want to point out to him that I expect a convention of my party to select my successor as party leader to take place in the summer of 1993. I point out to him that one of his colleagues, Mackenzie King, in 1948 stepped down, resigned as Leader of the Liberal Party and then decided that he might not turn over the Prime Ministership and hung in there for months. So who knows?

Some hon. members: Hear, hear.

Mr. Mulroney: Mr. Speaker, I did not want to dampen any enthusiasm that might be existing over there.

I also want to thank my friend, the leader of the NDP, for her gracious remarks and her kindness in recalling a number of incidents, including one about someone we both cared for a great deal, Pauline Jewett, and the moments that surrounded Pauline's elevation to the Privy Council, about how proud she was of it, what a marvellous woman she was and what a tremendous fighter she had been.

The leader of the NDP not only did all of her job, but she was also looking after Pauline at the same time. This too is part of her quite wonderful human qualities.

I do not think I would be offending anybody by mentioning in regard to my friend, the leader of the NDP, one of the observations I have made after a decade here in Ottawa. The fact of the matter is that this is a tough business, as the Leader of the Opposition has pointed out. We do not get much gratitude. Of course in my case the press has been marvellous, but I know the rest of you have had a tough time.

I think there is *en passant* an observation that is probably appropriate. I watched the leader of the NDP come from a by-election into the House and to the leadership of her own party. If this business is tough on all of us, as it is, I think it is particularly tough and demanding on women. I have always thought that in Canada, in Ottawa and in politics women have to be twice as good to get half the credit that men do. I just want to congratulate my hon. friend on her tremendous accomplishments.

The leader of the NDP mentioned again that she regretted that I had not called an election. Audrey, I forgot to tell you, I have just come from seeing the Governor General.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Mulroney: I also want to thank the members of this House, including my party colleagues and others I have had the privilege of meeting here, some of whom are friends from way back who unfortunately opted for the wrong side. Yes, Marcel, I forgive you. I see my neighbour and friend, Paul Martin. But if I say any more, they will fire me as leader of the Conservative Party. The fact is that as members we have a unique opportunity to create and strengthen ties of friendship.

What brings us together in most cases is our country, Canada. And that applies to our various political parties, the official parties in this House. Canada has always been my concern and my passion, and I would say that applies to many members here.

• (1430)

For 10 years I have concentrated all my efforts on maintaining and strengthening Canada's unity because I am convinced that without unity there can be no greatness for this country, no prosperity for its provinces and no happiness for its citizens.

[*English*]

All of us have been privileged to have inherited the most extraordinary country on the face of this earth and all of us, the best we can, contribute to making it a little bit better.

This is the finest forum for making this happen. This is where democracy, the collision of ideas, the collision of personalities and policies, comes into play. Its result is democracy in its purest form. I do not always like the result after I leave Question Period. Some of my people cry a lot, but I try to get them going again.

The fact of the matter is that vigorous exchanges like what occurs here are part and parcel of the best dimensions of democracy. However, most of all what keeps us here and what has motivated all of us to come here is our belief in and our love of Canada and all this magnificent country has done for every member of this House and will continue to do, God willing, for decades and decades to come.

Some hon. members: Hear, hear.

Mr. Speaker: Is it the disposition of the House to proceed with Question Period for the usual 45 minutes?

Some hon. members: Agreed.

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION OFFICES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Minister of Finance.

I want to ask the Minister of Finance if it is correct that on Friday after the House adjourns for one week the government will announce the closing of 45 regional immigration offices in every part of Canada. This means that applications for work permits, visitor visas, student visas, family class and sponsored refugees will have to be made by mail and decided upon at some distant centre without any face-to-face interview.

I want to ask the minister why the government is proceeding with this plan when the pilot projects were a failure and when they showed that this system would be extremely inefficient and open the door to criminality? Why is the government going ahead with this crazy plan?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, it has come to my attention that members of the union of employment and immigration employees are circulating a list detailing the official list of Canada immigration centres which could be closed or would be closed following the reconfiguration exercise. Following my announcement earlier in the year about plans for Immigration Canada to attempt to better serve Canadians in a more efficient way and at a more effective cost, yes indeed, there will be a reconfiguration. But what is important for members and Canadians to know is that the only motive behind this is to try to better serve Canadians and do it in a more efficient way.

• (1435)

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the pilot project showed that it would be more inefficient and would open the door to criminality.

[*Translation*]

This policy, this proposal to replace face-to-face immigration interviews in local communities with a review of documents in Vegreville, Alberta is an insult to common sense and common decency. It will make things harder for legitimate immigrants and easier for immigrants who are criminals.

Would the minister agree to postpone these closings and refer these proposals to the standing committee for consideration and recommendations?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, first of all the Liberal Party of Canada is hardly in a position to criticize measures that would improve the Immigration Act and thus prevent terrorists and criminals from immigrating to Canada. The hon. member and his party have objected to every single measure we have proposed to achieve this objective.

As far as the reconfiguration exercise is concerned, its only purpose is to provide a better service to Canadians at the lowest possible cost. The demands of the employment and immigration union have absolutely no basis in fact, and besides, the recommendation to proceed with a centre for considering these applications came from the employees themselves.

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): The Canadian people will decide what is efficient and what opens the door to criminality.

Canada is a large country with great distances between our towns and cities. It is not easy to travel from Kamloops to Vancouver on an immigration matter, nor from Sydney to Halifax, and certainly not to Vegreville, Alberta.

I want to ask the minister why he is punishing Canadians in this way by closing all these offices simply to save the skin of the Minister of Finance.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Is the hon. member now suggesting to Canadians that people have to drive from Banff, Alberta to Bathurst, New Brunswick to get their social insurance number? It is done in a region of the country, northern New Brunswick.

An hon. member: It's called computers.

Mr. Valcourt: If the hon. member wants Canadians to believe that we are going to force people to travel to Vegreville, Alberta, let me tell him that is a total falsehood; it is not the case at all. It has been made clear that in those cases where it is important for an interview to take place between an applicant and Immigration Canada, it will be done in the towns and the cities of Canada, in the regions of Canada, not in Vegreville, Alberta.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, we have documents which show that the government is planning to close a large number of immigration offices across Canada. Sudbury is one of the centres targeted.

Let me remind you, Mr. Speaker, that Sudbury is the only office to service immigration clients across northern Ontario and services the huge immigrant population which has developed northern Ontario.

How does the minister expect to serve such a broad area if there is absolutely no immigration presence in northern Ontario?

Ms. Copps: Immigration by phone. 1-800-flip-flop.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Colleagues should not be surprised that the member is totally wrong. There is no question of cutting services to the people of northern Ontario. The people of northern Ontario, the people of Atlantic Canada, the people of the prairies, of British Columbia will continue to receive the services they require from Immigration Canada. If the hon. member keeps repeating those claims by a union which we all know is against this because it has not proven in the past that it was in favour of saving the taxpayers of Canada money, that is what we will be doing.

• (1440)

Mrs. Diane Marleau (Sudbury): Mr. Speaker, the documents I have here are from Employment and Immigration Canada.

These closures really have nothing to do with efficiency. Why is the minister closing the Sudbury office with no concern for the vast population this office serves while

expanding and enhancing immigration offices in the riding of the Minister of Finance?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, again the hon. member is quoting from a document. As I indicated, the reconfiguration of Immigration Canada offices across the country relate to the amendments we brought to the Immigration Act. This reconfiguration will not deprive any regions of Canada of the services they should expect from Immigration Canada. Therefore, there is no point in the hon. member continuing that tempest. It is not true.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the minister of trade. This government has always said that the NAFTA, the Canada–U.S.–Mexico trade deal would not have a negative effect on the environment and would be good for workers. In fact, over the past year when I questioned the minister on what he intends to do in terms of taking concerns about the environment forward in the trade deal talks and concerns for workers, the minister replied that this is a commercial deal and has nothing to do with these other issues. Yet the government has now acknowledged that it would be prepared to participate in parallel or further agreements at the suggestion of President Clinton.

I would like to ask the minister of trade why NAFTA was good enough for workers and the environment last December, but now just two months later the government says it will negotiate new agreements. Is it admitting that NAFTA is a failure and has huge problems?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I know I am never going to be able to convince my friend because on this particular issue she has blinkers on. The point is tremendous opportunities are opened up under the NAFTA in giving access to the Mexican markets, one of the fastest growing economies in the Americas, a market with a middle-income market of 25 million or 30 million people, a market where companies are already taking advantage of the opportunities with new contracts there.

My hon. friend is right. I have said it is a good deal and I continue to say it is a good deal. But we have also tried to inject some provisions through these side agreements on labour and the environment as we started last February, a full year ago. We will continue to do that. We will be participating with the other two countries in order to achieve that. Those negotiations will probably be starting in two or three weeks.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, a supplementary to the minister. While the government clearly is about to bring legislation before this House to implement the North American trade deal, on March 15 as the minister has just said, Canada, Mexico and the U.S. are scheduled to begin negotiating these so-called side agreements or parallel agreements on the environment and workers that the minister formerly said were not necessary.

My question to the minister is this: Given that there will be parallel agreements negotiated and discussed, why is the minister persisting in bringing forward legislation which is clearly not complete without these agreements and why does the minister not simply withdraw this legislation until that process is complete?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the legislation is complete because it reflects the agreement that was signed by all three countries last December. It is important for us to allay any uncertainty to the private sector. We have to deal with the agreement, to get the agreement legislated and get it behind us. That does not say we cannot engage in the discussions on the side agreements on labour and the environment, if we can have some other elements where we can work in a co-operative way to improve labour arrangements or environmental conditions in the three countries.

I would say to my hon. friend that the United States is already into its legislative process; Canada will be starting on its legislative process imminently and Mexico will be starting as soon as it comes back from its winter break which will be April 1.

• (1445)

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, clearly the minister is saying there are questions about the NAFTA agreement that are going to be addressed through other agreements.

[*Translation*]

We have seen the consequences of the free trade agreement, the loss of jobs, the results of deregulation and privatization and the impact of the agreement on economy, but we still have no information on the NAFTA impact studies. My question to the minister is this: Will this government withdraw the bill and let Canadians debate these issues during an election campaign? After all, that is the proper forum for this kind of debate.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Many studies have already been made and most have concluded that NAFTA is the best option for all three countries. As far as the FTA is concerned, last year we saw our exports to the United States increase by more than 13 per cent. These exports created jobs here in Canada.

* * *

[*English*]

POVERTY

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is for the minister of health and welfare.

During the reviled reign of this government the number of two parent families with children who must resort to food banks has doubled. Most of these families report going without food at least once a month. Yet according to the chair of the kangaroo committee on poverty, children would have to be naked, homeless or on the brink of starvation before being considered poor.

I ask the minister if poor Canadians will remain fiscal outcasts until this government is cast out.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I am trying to deal with the substance of the question. I believe that when the member talks about children we have to be very sensitive. She knows very well that child poverty is not acceptable but it is a reality and we are trying to deal with that.

In 1992 just for families and children we spent more than $3 billion and particularly at the child tax benefit level we have improved the situation for the low income workers. We have done the best we can in terms of the many problems facing families today.

Obviously we can always do more but it has to be done with regard to the capacity we have to do it. I believe just in terms of the money itself, $3 billion for one year is probably the most that any government has done in this country.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the government cannot hide the plight of the poor with a sleight of the hand.

The substance of my question is that nearly two million Canadians, 600,000 of them children, will need the help of food banks to survive this last year of Tory caucus curse. Members of that caucus want to write off poverty stricken Canadians as bourgeois free–loaders who are not poor at all.

I ask the minister to explain why the basic instinct of this government is to leave poor Canadians with nothing but fried green tomatoes.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, it is increasingly difficult to find the substance but I am going to try again. I have said what this government has done in terms of addressing child poverty.

• (1450)

I remember when her party was in power in 1975, 1980 or 1982. There were poor children in Canada and proportionally it was not necessarily better than it is today.

The problem with the hon. member's party is that it is good on the opposition side of the House but when it is on this side, it is bad on social policies and worse, it is also bad on economic policies.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of National Health and Welfare.

This whole idea of changing the definition of poverty rather than taking the necessary actions to reduce poverty is the most ridiculous idea I have ever heard.

When the levels of poverty are at record highs in Canada, why is this government wasting time on new definitions rather than taking immediate measures to eliminate poverty in this country?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, we have not changed the definition of poverty. We have coped with the problem of children and poverty in this country.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the same minister.

Currently there are over 70,000 people in Winnipeg living on either unemployment insurance or social assistance. By any definition those people are poor.

Why is the government spending time on questions of definition of poverty when the real task of the government is to find jobs, to find training and to finally put together a development plan for Winnipeg?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I just answered that question to the other hon. member, who incidentally is also from Winnipeg.

I will repeat what I said. We have not changed the definition of poverty. As I said before, putting $3 billion for children last year in the Minister of Finance's budget is evidence that we are doing what we can for unemployment and poor children. That should be done first and foremost. The government is trying to give jobs and give opportunities to people to feed their children.

The hon. member knows very well that this will not come like the rain in the morning. It will come with efforts we do and will continue to do.

Once again that party's record was worse when it was in government. The hon. member was not there, but he should listen to his friends who were.

* * *

TRADE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister for International Trade and it deals with the North American free trade agreement legislation which I understand he intends to introduce today.

The plant in Ingersoll which manufactures truck trailers has announced that it is shutting down permanently with a loss of 240 jobs. This is the fourth shut-down in this industry since free trade came into effect losing 1,300 jobs as all of its production has been shifted to the United States.

I want to ask how this government can push ahead with extending free trade to include Mexico when the present deal has wiped out entire industries like this one involving the Ingersoll plant.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, maybe my hon. friend could explain to me why it is that under the free trade agreement with the United States, in a period when the nominal growth in the American economy was around 5 per cent, there was a 13.5 per cent increase in exports to the United States market.

Who is exporting those products? Successful companies in the riding of the hon. member and in ridings right across Canada. Yes there are companies that will have some difficulty in a free trade environment, in an environment of globalization, in a recessionary environment. That is a fact of life.

My hon. friend must start to look at the broader picture. If he looks at the broader picture he will see that the market share of Canadian exports into the United States markets has increased significantly. Our exports have increased at double the rate of those exports from Japan to the United States market, of the United Kingdom to the United States, or of Germany to the United States. The sole reason for that is the free trade agreement with the United States.

• (1455)

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Conference Board of Canada, which this government likes to quote, says that since the free trade deal we have lost manufacturing jobs at a rate three times faster than the United States. That is because of the free trade deal.

There is no question that in this case this entire industry has been hit because of the free trade deal since tariff rates have fallen from 15 per cent to 1.5 per cent.

Why has the government changed what was supposed to be a 10-year phase-out period for this manufacturing of truck trailers and instead accelerated the phase-out of these tariffs so that they have resulted in the wiping out of an entire industry and 1,300 jobs here in Canada?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend surely knows because he is the trade critic. I might add *The Financial Post* says that the leader of the NDP's trade minister would cut a lonely figure sitting at tables all by himself. If I were the hon. member I would want to change my responsibilities very quickly.

The point of the matter is that any time there is tariff acceleration in the free trade between the United States and Canada it has to be with the agreement of industries in both countries. On that basis, we have gone ahead.

I point out there have been two major accelerated reductions in tariffs amounting to some $8 billion of trade which my hon. friend forgets accrues to the benefit of consumers in the countries involved. The consumers are the great beneficiaries of free trade. They get lower prices as a result of elimination of tariffs and they get a greater variety of products to buy.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the Minister for International Trade will shortly introduce the North American free trade legislation.

He says that in the United States the government has also begun the legislative process. He knows, however, that the President of the United States and the United States chief trade negotiator have both said that the President will not present the NAFTA legislation to Congress until such time as the United States gets its three supplementary or parallel accords, one on the environment, one on labour and one on import surges.

Can the minister tell the House and the Canadian people why he is proceeding when he knows that those three parallel agreements will substantially modify the terms and operation of the proposed North American free trade agreement?

Why do the minister and the government not wait until such time as we are aware of the nature of those parallel accords so we can be certain of what it is this government is asking the Canadian people to adopt?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I can say absolutely that the side agreements will not substantially modify the agreement signed in December by all three countries.

President Salinas, President Clinton and our Prime Minister have all agreed there will be no change to the agreement signed in December 1992. It will not be reopened. It will be implemented on January 1, 1994.

The side agreements are supplemental agreements. They are to add certain aspects in the areas of environment, labour and possibly import surges and will be ancillary to the free trade agreement itself. They will not change the substance of the agreement in any way.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, that answer contradicts what the minister said yesterday.

He said that a year ago he put forward on behalf of Canada positions on the environment and on labour standards which would have substantially changed the treaty itself. Those positions were rejected by the United States and Mexico.

Yesterday the minister said he is going to bring forward those positions again. Today, however, he says they will not change the agreement.

• (1500)

Let me ask the minister one specific question. The minister well knows that any agreement on import surges will change the nature of NAFTA itself. It will affect the nature of dispute settlement. It will change the nature of the clauses in the treaty on import surges.

Will the minister explain to the Canadian people what our position is? Have we any position in Canada on those three areas? What are they?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the hon. member is asking questions which he should have put in the committee hearings when I appeared before it. I will be appearing again. I am sure we will have an opportunity to discuss them.

Let me be quite clear that on labour and on the environment the things we were proposing last February and since then is the establishment of two trilateral commissions. That has been accepted now with the environment. It looks like it could be accepted for labour matters and in that way develop a dialogue among the

three countries on how we can improve our policies in those two areas. That is not in any way changing the nature of the agreement signed in December last year.

As it relates to import surges, let us see what the Americans have in mind. I do not know what the Americans have in mind. I do not think my hon. friend knows what the Americans have in mind. We do know they have confirmed many times that they are not going to reopen the agreement of December last year.

* * *

EMPLOYMENT

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Currently there are 18 Americans working in a cement plant in Woodstock, Ontario. These Americans were given permits by Canadian officials to do mechanical jobs in an industry where there is a 50 per cent unemployment rate in Canada. In issuing these permits Canadian officials did not weigh the consequences to Canadian workers.

How can this government sit back and allow this to happen while badly needed Canadian jobs have been handed to Americans with this government's seal of approval?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I do not know how the hon. member can stand up in this House and say this was done with the government's seal of approval.

Last December he brought this to the attention of the department. The officials at the office in question explained in detail in a letter to the hon. member how a mistake had been made. It was mentioned that only two weeks or days remained and it was explained to the hon. member that this had happened because of a mistake. He was assured by the officials in writing that steps had been taken to prevent this from happening in the future. That was last December.

Mr. Joe Fontana (London East): Mr. Speaker, I do not want an assurance from a Canadian consulate member. I want an assurance from this minister and this government that they will not allow this to happen.

The Canadian consulate in Minneapolis, Minnesota admitted to a mistake in approving these applications, but this is unacceptable and it cost Canadian jobs.

I want to ask the minister responsible for international trade what he intends to do to prevent either the FTA or some ambiguous little clause in immigration policy from being used to provide foreigners with desperately needed Canadian jobs.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the member knows full well that this has nothing to do with the free trade agreement. An error was made due to misinterpretation by an officer of the department. I know that in a perfect world mistakes would not happen.

The hon. member wants to interpret the mistake as government policy when he knows it was not government policy, quite the contrary. We have a policy of hiring Canadians first and that is the way we operate throughout Canada. The mistake was explained to him.

Please do not try to mess up the free trade agreement with that. It has nothing to do with it.

* * *

• (1505)

ABORIGINAL FISHING STRATEGY

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my question is for the Minister of Justice.

When the Minister of Fisheries and Oceans last June announced his aboriginal fishing strategy for B.C., he said he was following the Sparrow decision of the Supreme Court. The fisheries committee asked the Minister of Justice to give a ruling on the Sparrow decision, about which many questions had been asked and arguments made in B.C. as to what extent it dealt with the commercialization of the aboriginal fishery.

Is the minister of fisheries aware of the importance of dealing with this question promptly?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, with respect to the hon. gentleman's question, I believe he knows full well that the Department of Fisheries and Oceans takes the advice of the Minister of Justice's department with

respect to the interpretation and meaning of the Sparrow decision.

As a matter of fact I met in Vancouver yesterday with representatives of aboriginal groups, the fishing industry, the recreational sector and a representative of the Government of British Columbia to deal with these very issues.

I would very much appreciate the hon. gentleman telling me what his party's policy is with reference to the question of the Sparrow decision and the experimental sale of food fish that we now have under way. Does his party support it or not? Is it supporting the aboriginal groups in their attempts to be included in the fishery or is it opposing them? What is its position?

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my supplementary question is for the Minister of Fisheries and Oceans.

Is the minister able to tell us wether he has a single watershed agreement for any of the main salmon rivers in B.C.? Is he able to tell us with confidence that he will have regulations in force regardless of race, creed or colour that will make sure the B.C. salmon industry does not go the way of the northern Atlantic cod industry?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I know we all get infected by the rhetoric we hear in this House and the hon. gentleman has probably caught the disease as well.

We are working with the aboriginal groups toward reaching watershed agreements on the Fraser River and the Skeena River hopefully by the middle of March. That is our target date. We expect to have agreements with well over 100 aboriginal bands dealing with habitat and fisheries management by the time the fishing season opens in the middle of May.

There will likely be at least three agreements, as there were last year, covering experimental sales of food fish in a regulated, understandable and enforceable way. Whether that will be expanded or not, I do not know.

All this work is under way and we hope to have everything in place before the fishing season opens.

INDIAN AFFAIRS

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, my question is for the minister of Indian affairs.

It has come to my attention that the Ontario government may ignore the Williams treaty, ignore the current law, ignore court decisions and ignore the wording of section 35(1) of the Canadian Constitution with regard to existing treaty rights. The intention is to give licences in the form of interim agreements to the seven Williams treaty bands.

Has the federal government been approached by the Government of Ontario? If it was, would the federal government change regulations to give Indians covered by the Williams treaty the legal right to fish and hunt during closed seasons? Would it apply to migratory birds?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member for Hastings—Frontenac—Lennox and Addington shares with many residents of east central Ontario a concern about different regulations in regard to hunting and fishing as they pertain to the aboriginal people of the United Indian Councils.

Those who signed the Williams treaty in 1923 surrendered their right to special hunting and fishing privileges. The Ontario government seeks to reinstate those special privileges, but must do so only with the authority of the minister of fisheries under the Fisheries Act who ultimately must approve regulations.

However it is the delegated responsibility of the province of Ontario to consult widely with all interest groups and to ensure that there will be no negative reaction or no misunderstanding before such regulatory proposals are brought forward.

* * *

• (1510)

RAILWAY CROSSINGS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Solicitor General. It is as a result of a fatal accident at a railway crossing in Stewiacke, Nova Scotia.

The RCMP wrote a report which said the Railway Safety Act is a federal statute enforced solely by the CN and CP police. In response to a petition to the Minister of Transport, the answer was that the RCMP does have the authority to enforce the provisions of all federal statutes, including the Railway Safety Act.

Which one is right?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, my hon. friend has brought this matter to my attention. It would appear there is a conflict between what is said on the one hand in the report and on the other hand, in the answer to the petition.

It is a valid point to make. I will draw this to the attention of my officials and try to come back with a definitive answer.

* * *

AIRLINES

Mr. Stan Keyes (Hamilton West): Mr. Speaker, my question is for the Minister of Transport.

On Monday the Minister of Transport said that overcapacity in the skies was up to the airlines to resolve. On Tuesday he said that he might legislate a resolution to overcapacity.

I want to ask the Minister of Transport, after dithering around for months while our national airlines have practically been driven out of business, what is his solution to the crisis in our airline industry?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, in my statement in the House at the end of November I made reference to the fact that one of the major problems in the airline industry in Canada, as in the world, is overcapacity.

I indicated at the time that if the airline companies did not have the self-discipline necessary to bring down capacity we would legislate on it to recalibrate the situation. It is still our position.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the position is not solving the problem in the industry, is it? There is nothing being done for the industry.

While the national airlines continue to schedule these money losing, half empty flights the minister stands in his place and says: "Maybe I will do this and maybe the industry should have this intervention".

What is the policy of the minister and the government? When will the minister stop blaming everyone but himself and demonstrate some level of competence to resolve this destructive competition in the skies?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the Minister of Transport did not invent anything. The CEOs of both major airlines, appearing at a recent hearing said they fully realized that their major problem was overcapacity. However, instead of doing it themselves they are waiting for the government to do it.

I said yesterday that we are working on legislation to put order in this industry if the owners and operators are not prepared and do not have the discipline to do it themselves.

* * *

[*Translation*]

CANADA POST CORPORATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. As though it were not enough to scare communities in St. Clément and elsewhere, Canada Post is getting ready to close the post office in La Rédemption.

My question to the minister is this: When will his government stop this policy of abandoning rural Canada? When?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, of course we are not abandoning rural Canada. We are opening retail postal outlets as opposed to corporate-run outlets. They stay open longer and are more accessible to the public. When we asked the public how they liked them, 90 per cent thought it was a good idea.

The hon. member was complaining about a couple of post offices left open in the Prime Minister's riding, inferring political privilege.

Mr. Boudria: Five.

Mr. Andre: Five. I just want to inform the hon. member that six were left open in the riding of Glengarry—Prescott—Russell.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, that is kind of nice, I think, except there were 45 of them in my constituency and it is still closing them down as we speak today.

I want to ask the following question of the minister. This government is converting, rationalizing, reconfiguring and plain old closing down post offices, immigration offices and everything else right across the regions of Canada. When will this government end the policy of abandoning rural Canada?

• (1515)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, as I indicated we are opening new post offices. We went from some 12,000 a few years ago and in the process, I might add, we went from a $400 million a year loss to a profit position and increased the on-time delivery from about 85 per cent to 99 per cent. In that process Canada Post has become the most efficient post office in the world.

When polled, of those affected 90 per cent plus have said they are happy with the new service. I think that is a pretty good record.

* * *

[*Translation*]

STUDENT EMPLOYMENT

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, young students in this country are a productive work force for Canada. Students want to work during their school holidays to gain experience and increase their income.

In the past, the government has encouraged young people with its summer employment strategy for students. My question is directed to the Minister of State for Youth. Does the minister intend to extend the Challenge '92 program this year to help young people who are looking for summer jobs?

Hon. Pierre H. Cadieux (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I intend to extend the program, which will be called Challenge'93 this summer. In fact, I would like to inform members, students and employers that the budget for the Summer Employment Experience Development program has been increased from $83 million last summer to $88 million this summer.

Some hon. members: Hear, hear.

Mr. Cadieux: Furthermore, the deadline for filing applications will be extended for one week, until March 19, 1993.

* * *

[*English*]

NORTHUMBERLAND STRAIT BRIDGE

Ms. Lynn Hunter (Saanich—Gulf Islands): My question is for the Minister of the Environment.

As the minister knows, the environmental assessment of the generic fixed link between New Brunswick and Prince Edward Island recommended that the project not proceed.

Will the government honour its 1988 promise and do an environmental assessment of the specific project?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the hon. member will know there has been an environmental assessment done on the project and the panel came forward with some recommendations. At the time the government took into account the recommendations made by the panel and when it asked for project submissions, it asked that the proponents take into account what the panel had come forward with.

I understand that is what has happened. Since then a court action has been initiated and is now being pursued, I understand, before the Federal Court. Given those circumstances, I think it would be wise to limit our comments to just that.

* * *

SALMON FISHERY

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans.

Last week in response to a question about gill-netting of salmon, the minister stated that the preference was to negotiate the reduction of gill-netting by agreements as opposed to court action. I agree with that direction providing we can actually conclude such agreements.

I would like to ask the minister if he can provide details of the number of agreements reached, for example with the 15 bands in New Brunswick in 1992. How are such agreements proceeding with respect to negotiations for the 1993 season?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I do not have all this detailed information available today to give to the hon. member since I just got back from the west coast. I have not yet had the chance to gather information on the east coast.

I do know that we had a number of agreements in New Brunswick this past year on the aboriginal fishery strategy. There were more than 64 person-years of native employment created in New Brunswick as a result of those projects. They all had to do with setting up native fishery guardian programs, fisheries monitoring, stock management, fisheries enhancement and assessment.

I will try to get the number of agreements that had to do with the kind of gear that should be used in fishing and conservation practices and what is planned for this year. I will pass it along to him privately.

* * *

PRIVILEGE

CUSTOMS TARIFF

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my office earlier today, at about noon, provided notice to the Minister of Finance. I hope he has had notice of my intention to rise on this point. He has not? I know that his office has. In any event, I will proceed.

• (1520)

Mr. Speaker: Just a moment. I appreciate what the hon. member said about giving notice to the minister. I am in the hands of both the minister and the hon. member. However, if it would make it easier to discuss the matter after the minister has seen the material, then that might be a useful course to follow. I will hear the hon. member on that.

Mr. Lee: Mr. Speaker, my office did make reasonable efforts to ensure that the minister had notice of this today. I think it is in the best interests of the issue that I proceed and dispose of it. The Speaker will then have an opportunity to rule.

I rise on a question of privilege in relation to the failure of the Minister of Finance to lay before Parliament an order made pursuant to subsection 59(2) of the Customs Tariff. It is my submission that this omission constitutes a contempt of Parliament.

You will recall, Mr. Speaker, that on February 3 of last year, I rose on a similar question of privilege in relation to the order respecting the suspension of privileges granted under the free trade agreement, registered then as SOR-8954.

On December 29, 1992, the Governor in Council adopted Order in Council 1992-2715. It so happens that the purpose of this Order in Council is to revoke the order which gave rise to my earlier question of privilege.

Just as the original order was required to be tabled in this House, so is the revoking Order in Council adopted last December and registered as SOR-9314. The revoking order was made pursuant to subsection 59(2) of the Customs Tariff. Subsection 59(5) of the same tariff provides that the Minister of Finance shall cause a copy of any order made pursuant to subsection 59(2) to be laid before Parliament on any of the first 15 days after the making thereof that either House of Parliament is sitting.

The revoking order made on December 29 was legally required to be laid before this House by February 15, 1993, that day being the 15th day after its making that either House sat.

It is not my intention to repeat at length the arguments I made last February. They are applicable here and I would ask you to take them into consideration before you rule on my question of privilege. I do wish to point out, however, that I do not rise today in any capacity other than that of a member of Parliament seeking to uphold the collective right of this House to have a copy of any order made pursuant to subsection 59(2) of the Customs Tariff laid before it.

As on the previous occasion, I have no hesitation in stating my belief that the Minister of Finance has not intentionally disobeyed the statutory tabling requirement here. That being said, I must also reiterate that that intention is not relevant at this stage of the proceeding.

As I indicated last February, I can find no authority for the proposition that an act or omission only constitutes contempt of the House if it was intentional. The correct view seems to be that any act or omission that tends to diminish the authority of this House can be punished as a contempt, although it is likely that in deciding on a punishment, the intent of the party charged with the

contempt would be taken into consideration by the House.

As I understand it, Mr. Speaker, your role at this stage is simply to decide whether the facts before you are sufficient to conclude that the conduct or omission complained of might reasonably be found by the House itself to constitute contempt rather than whether the conduct or omission amounts to contempt.

The substantive question here of whether or not the failure to table this Order in Council was a contempt of the House is a decision for the House to make.

I submit to you, Mr. Speaker, that there can be little doubt that the minister's failure to table a document required to be tabled by this House, whether intentional or accidental, tends to diminish the authority of the House of Commons and is something that might reasonably be held to constitute contempt by this House.

• (1525)

In this regard I have referred the House to the remarks made by you, Mr. Speaker, on February 5, 1992 in relation to my earlier question. At that time, Mr. Speaker, you warned those responsible for meeting any deadlines for the tabling of documents to reflect carefully on the possible consequences of ignoring tabling requirements. Mr. Speaker, I regret to say that your advice seems to have fallen on deaf ears at the Department of Finance.

While I mention the minister's officials the fact remains that under our doctrine of ministerial responsibility the minister is accountable to this House for the acts and omissions of his officials. However tempting it may be to lift the veil of ministerial responsibility we cannot do so and the minister must accept, as I am sure he will, his responsibility for the failings of his officials.

Considering what took place in February last year it appears that decisive action by this House will be required if our collective right to be informed of the making of orders pursuant to subsection 59(2) of the Customs Tariff, within the time prescribed by Parliament, in this case 15 sittings days, is to be respected.

In closing, having mentioned that we went through this a year ago and that you, Mr. Speaker, gave a warning that the Department of Finance was put on notice then I want to indicate that in the event you accept my submission I am prepared to move the appropriate motion.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I did listen with interest and I can only assure the hon. member that I will look into it and report back to the House as soon as I possibly can. I appreciate his raising it at this time, but not having had an opportunity to study it I am not in a position to respond in a definitive way. I certainly will look into it immediately.

Mr. Speaker: I just want to be sure that both the hon. member and the minister understand the position of the Chair in this.

I have heard the argument. I believe the minister has indicated that he wants to look more carefully at the matter and will come back. I will listen to the minister when that takes place and subsequent to that I will make a ruling.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 264 petitions.

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

* * *

[*English*]

INTERPARLIAMENTARY DELEGATION

ASIA PACIFIC PARLIAMENTARY FORUM

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, pursuant to Standing Order 34(1) I have the honour to present, in both official languages, the report on the inaugural meeting of the Asia Pacific Parliamentary Forum held in Tokyo, Japan on January 14 and 15, 1993.

This report is more than a report this time. In fact the report embodies several resolutions and structural comments that could be helpful to the House of Commons and the Speaker.

It has been determined that there has been a lack of emphasis on the interparliamentary activity in the Pacific Rim. In fact we have only one bilateral organization, which is between Canada and Japan. That is the only official organization despite the fact that the whole geopolitical shift is toward the Pacific and it is imperative that Canada should participate more strongly in that interparliamentary relationship.

Therefore we have suggested in our report that the new organization, which is an umbrella of Parliaments of the Pacific, should in fact become the umbrella, which along with the Canada–Japan Parliamentary Association will encourage the development of more friendship associations, such as Canada–China, Canada–Taiwan and Canada–Korea.

We suggest that we would spawn many friendship organizations under the one umbrella and that umbrella in turn would then help direct delegations to develop those relationships, which are lagging far behind our traditional European experience.

• (1530)

This report correlates very well with that of the member for Saint–Denis who will make similar suggestions in his bigger report to Parliament through the parliamentary committee structure.

We want to support that and emphasize this. We hope this report will not simply be received but that it will be a matter of study by the Speaker and by committee.

I would like this report referred beyond the House of Commons back through the structure. I would ask that that is done as our recommendations are considered.

[*Translation*]

Hon. Marcel Prud'homme (Saint–Denis): Madam Speaker, on a point of order. This is the only way I can add a few comments. I must say that for members who would like to see changes in the Standing Orders that would give them a little more power, this is a prime example where it is not your fault or mine, but the fault of the Standing Orders. I certainly hope we can soon change the Standing Orders so when a document is tabled with which I am familiar and on which I worked at the request of the Chair—I know exactly what the hon. member wants to tell us—I wish that occasionally, not as notice to parliamentarians but as an indication of what Canada should do, we could take a good look at what these papers say. Unfortunately we cannot under our Standing Orders.

I think members who want more power for parliamentarians should support a request we will be making very shortly. It would make it possible for a number of parliamentarians who are directly involved in drafting such reports to add a few comments and not just sit there listening to what is said by the member tabling the report. In fact, we could say that the media, which are often critical about what we do, should at least read the document. We cannot do this under the Standing Orders but I hope changes will be made to allow that.

Madam Deputy Speaker: Nor do the Standing Orders allow the Chair to listen to long speeches after tabling of reports by interparliamentary delegations, important and interesting though they may be. We will now proceed to presenting reports from committees. The hon. member for Edmonton Southwest.

* * *

HOUSE MANAGEMENT

66TH REPORT OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton Southwest): Madam Speaker, I have the honour to present the 66th Report of the Standing Committee on House Management on certain parliamentary associations.

I would also like to thank the hon. member for Saint–Denis for his excellent work in connection with this report.

* * *

[*English*]

BILL C–99

REPORT OF LEGISLATIVE COMMITTEE

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Madam Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C–99, an act to amend the Small

Businesses Loans Act and another act in consequence thereof, with an amendment.

This is a most important piece of legislation. All parties support it. The size of the loans is going to be increased for small businesses from $100,000 to $250,000. Companies with revenues now of up to $5 million will qualify and we really hope that the banks of this country support and use this important piece of legislation to help small businesses which create over 80 per cent of the jobs in Canada.

* * *

[*Translation*]

PUBLIC ACCOUNTS

11TH REPORT OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I have the honour to present, in both official languages, the 11th report of the Standing Committee on Public Accounts.

The report also mentions the committee's trip to London with the Auditor General of Canada, from November 1 to November 5, 1992. The committee sought information on British public service reform, information to Parliament, program evaluation and financial control of assistance to developing countries.

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

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Ms. Dawn Black (New Westminster—Burnaby) moved for leave to introduce Bill C-409, an act to amend the Criminal Code (threats and intimidation).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Ms. Black: Madam Speaker, I rise to introduce my private member's bill entitled an act to amend the Criminal Code (threats and intimidation).

• (1535)

This bill will pull together all the current provisions of our Criminal Code which could apply to stalking, puts them in the context of violence against women, and strengthens them.

I have examined the anti-stalking laws in the U.S. very carefully. I have introduced some of these principles and tailored my amendments to Canadian law and the Canadian reality.

In 1991, 120 Canadian women died at the hand of their male partner or ex-partner. Most often these murders were preceded by threats, intimidation and stalking. This must be stopped.

My bill is a step in that direction and I ask for the support, in fact I expect the support of all members of this House.

Madam Deputy Speaker: Ms. Black moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*Translation*]

JUSTICE AND SOLICITOR GENERAL

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons) moved:

> That eight members and two staff persons of the Standing Committee on Justice and the Solicitor General be authorized to travel to Toronto from March 10 to March 12, 1993 to participate in the symposium on crime prevention.

[*English*]

Motion agreed to.

[*Translation*]

PETITIONS

VIOLENCE

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I would like to table a petition from people in Belcourt, Senneterre, Barraute and Sullivan in Abitibi who say that violent movies on television are dangerous and therefore unacceptable, because they incite more violence.

They also say that all toys that incite violent games are unacceptable and should not be made. These people point out that information on violent acts which is repeated too often on all television stations and on radio can incite others to commit the same acts of violence.

Therefore the petitioners humbly ask Parliament to legislate on the above-mentioned points to eliminate violence in our society, protect our children more and give all our fellow citizens a better quality of life.

[*English*]

Mr. Mike Breaugh (Oshawa): Madam Speaker, I have the honour to present petitions on two matters today. The first is from a number of constituents who are concerned that the laws of Canada do not deal with materials portraying torture, rape and murder as fun, including something called the serial killer board game.

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Mike Breaugh (Oshawa): Madam Speaker, the second petition comes from constituents who are equally concerned about the North American free trade agreement and want the government to disband it.

VIOLENCE

Mr. George S. Rideout (Moncton): Madam Speaker, pursuant to Standing Order 36, it is my pleasure to present a petition requesting that Parliament consider amending the Criminal Code of Canada so that violent and degrading material such as serial killer board games be kept from being distributed in Canada.

ALCOHOL

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, I rise to present a petition signed by almost 4,000 people in British Columbia.

They say that alcohol is a drug and many people are unaware of the health risks posed by alcohol because it is so widely accepted in our society. This is especially true of pregnant women, many of whom do not know that drinking may lead to birth defects.

Alcohol consumption has also been linked to impairment of a person's ability to operate machinery or an automobile, hypertension, liver disease, cancer and addiction. Warning labels on alcohol have already been put into place in some jurisdictions.

Therefore these petitioners request that Parliament consider requiring labels on all alcoholic beverages to warn consumers, including pregnant women, of the health risks that are involved in the consumption of alcohol.

[*Translation*]

LANGUAGE USED ON RADIO AND TELEVISION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, these petitioners ask Parliament to monitor very closely the language used on radio and television. They also ask Parliament to eliminate violent acts as much as possible. They point out that their efforts are often undermined by what happens in the media. They also emphasize that it is not necessary to use vulgar language or violence to inform or entertain people.

• (1540)

[*English*]

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, the petitioners ask that the government review its policies with respect to education, in particular the 3 per cent tax on student loans as well as the goods and services tax on books and reading materials.

They point out that we have never had such a tax and reading is the cornerstone of democracy and competitiveness. They ask the government to act forthwith.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, Question No. 435 will be answered today.

[*Text*]

Question No. 435—**Mr. Gardiner:**

For each fiscal year since 1985, did the government retain the services of private law firms in Prince George, British Columbia and if so, in each case what was the name of the firm and the amount received?

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): In answer to the hon. member's question:

Name of Firm	Amount Paid in Fiscal Year
For Fiscal Year 1985–86:	
Coleman & Co.	$ 164.44
Heather, Sadler, Hughes & Jenkins	$ 48,972.17
Hope, Heinrich & Hansen	$ 65,358.83
Meiklem, Harrison & Fletcher	$ 3,219.46
Wright, Garth	$ 143.29
Wilson, Kling & Co.	$ 99.80
Nose, Mieski, Traxler, Haines & Wingham	$ 567.87
For Fiscal Year 1986–87:	
Blackey, R.D.	$ 121.69
Heather, Sadler, Hughes & Jenkins	$ 98,028.31
Hope Heinrich	$ 21,291.61
Meiklem, Harrison & Fletcher	$ 8,729.24
Nose, Mieske, Traxler, Haines & Co.	$ 2,096.64
Haines, Roger	$ 934.26
For Fiscal Year 1987–88:	
Haines, Roger	$ 198.00
Heather, Sadler Jenkins	$ 117,234.24
Meiklem, Harrison & Fletcher	$ 6,498.65
Nose, Mieske & Co.	$ 10,011.95
Hope Heinrich	$ 574.90
For Fiscal Year 1988–89:	
Heather, Sadler Jenkins	$ 44,440.47
Meiklem, Harrison & Co.	$ 5,490.88
Nose, Mieske & Co.	$ 4,824.36
Ramsay Nose	$ 1,693.11
Repskock, Ken	$ 300.00
Hope Heinrich	$ 4,171.81
For Fiscal Year 1989–90:	
Heather, Sadler Jenkins	$ 123,830.55
Meiklem, Harrison & Fletcher	$ 3,810.88
Ramsay Nose	$ 795.84
For Fiscal Year 1990–91:	
Heather, Sadler Jenkins	$ 153,077.57
Meiklem, Harrison & Fletcher	$ 12,051.90
Ramsay Nose	$ 4,560.98
For Fiscal Year 1991–92:	
Fletcher Repstock	$ 17,268.51
Heather, Sadler Jenkins	$ 208,241.57
Ramsay Nose	$ 717.96
For Fiscal Year 1992–93 (at second quarter):	
Fletcher Repstock	$ 7,614.36
Heather, Sadler Jenkins	$ 65,119.33
Hope Heinrich	$ 498.88
Ramsay Nose	$ 219.06

[*Translation*]

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

Mr. Langlois: Madam Speaker, I ask that all other questions be allowed to stand.

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Madam Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT, 1993 NO. 2

ALLOCATION OF TIME TO CONSIDER SECOND READING OF BILL C-113

Hon. Charles Mayer (Minister of Agriculture): Madam Speaker, pursuant to Standing Order 78(3), I move:

That in relation to Bill C-113, an act to provide for government expenditure restraint, not more than one further sitting day shall be allotted to the consideration of second reading stage of the bill; and

That 15 minutes before the expiry of the time provided for Government Orders on the day allotted to the second reading stage consideration of the said bill, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question necessary to dispose of the second reading stage of the bill shall be put forthwith and successively, without further debate or amendment.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Madam Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Deputy Speaker: Call in the members.

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

(*Division No. 422*)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Brightwell
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Cole
Cooper
Corbett
Couture
Crosby (Halifax West)
DeBlois
Della Noce
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hockin
Holtmann
Horning
Hughes
James
Johnson
Jourdenais
Koury
Langlois
Layton
Littlechild
Lopez
MacDougall (Timiskaming—French River)
Malone
Martin (Lincoln)
Mayer
McCreath
McKnight
Merrithew
Moore
Nicholson
O'Kurley
Porter
Redway
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wenman
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—145

Andre
Attewell
Belsher
Bertrand
Bjornson
Blais
Bosley
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Yellowhead)
Clifford
Collins
Corbeil
Côté
Crosbie (St. John's West)
Danis
de Cotret
Desjardins
Dorin
Edwards
Fee
Ferland
Fretz
Gibeau
Greene
Guilbault
Halliday
Hawkes
Hogue
Horner
Hudon
Jacques
Jelinek
Joncas
Kempling
Landry
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McDermid
McLean
Monteith
Mulroney
Oberle
Paproski
Pronovost
Reimer
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
White
Winegard

NAYS

Members

Allmand
Arseneault
Baker
Bélair
Benjamin
Black
Blaikie
Boudria
Brewin
Catterall
Althouse
Axworthy (Saskatoon—Clark's Crossing)
Barrett
Bellemare
Bevilacqua
Blackburn (Brant)
Bouchard (Lac-Saint-Jean)
Breaugh
Butland
Clancy

Copps	Crawford
de Jong	Dingwall
Duceppe	Duhamel
Edmonston	Ferguson
Finestone	Flis
Fontana	Foster
Funk	Gaffney
Gagliano	Gardiner
Gauthier	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Heap
Hovdebo	Hunter
Karpoff	Karygiannis
Keyes	Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald (Dartmouth)
MacLaren	MacLellan
MacWilliam	Marchi
McGuire	Mifflin
Milliken	Murphy
Nowlan	Nystrom
Ouellet	Pagtakhan
Parker	Peterson
Phinney	Pickard
Plamondon	Proud
Prud'homme	Rideout
Riis	Robinson
Rocheleau	Rodriguez
Rompkey	Samson
Simmons	Skelly (North Island—Powell River)
Skelly (Comox—Alberni)	Stewart
Stupich	Vanclief
Waddell	Walker
Wood	Young (Beaches—Woodbine)—90

PAIRED—MEMBERS

nil/aucun

Madam Deputy Speaker: I declare the motion carried.

• (1630)

[*Translation*]

MEASURE TO ENACT

The House resumed from February 18, 1993, consideration of the motion of Mr. Mazankowski that Bill C–113, an Act to provide for government expenditure restraint, be now read the second time and referred to a legislative committee in the Human Resources envelope, and on the amendment of Mr. Bevilacqua (p. 16117).

Mr. Jean-Marc Robitaille (Terrebonne): Madam Speaker, I welcome this opportunity to speak in the debate on Bill C–113. First of all, I would like to say that my colleagues did an excellent job of putting the facts before the members of this House.

I would like to consider the vision and logic behind the proposed amendments. Like survival, good government means adjusting successfully to new situations. The proposed amendments provide for reasonable adjustments in a program that Canadians support. Canadian workers depend on unemployment insurance to help them if they lose their jobs.

It is up to our government to ensure that the unemployment insurance program remains in place to help Canadians. The program must be sound, affordable and fairly administered. This bill is based on the equity principle. It also deals with responsible choices and the desire of millions of Canadians to achieve a reasonable standard of living by working in a positive and productive environment.

These proposals reflect an approach that is aimed at guaranteeing the solvency of the unemployment insurance account. The proposals reflect the fact that the unemployment insurance fund depends on contributions made by honest citizens and businesses across the country.

Just as we protect ourselves against certain eventualities by taking out life insurance, car insurance or fire insurance, Canadians contribute to the unemployment insurance fund to protect themselves against unforeseen periods of unemployment. If people become unemployed due to circumstances beyond their control, they have a safety net. That is what unemployment insurance is for. No reasonable person—

Mr. Plamondon: You are going to be on UI yourself.

Mr. Robitaille: The hon. member for Richelieu says we are going to be on unemployment insurance pretty soon, but I think it is he, quite frankly, who will certainly get his benefits.

As I was saying, no reasonable person would expect an insurance company to pay if he set his own house on fire. Unemployment insurance is not meant to be a source of income as such. It is a safety net for Canadian workers. The government is now trying to ensure it will remain available to those who really need it.

The unemployment insurance program works very well. Interestingly, 70 per cent of all Canadians who receive unemployment insurance benefits return to the labour market before exhausting those benefits. Most Canadians who become unemployed use their benefits to find new jobs. The challenge is to ensure we can continue to provide this assistance to Canadian workers. To do that, we intend to deny benefits to those who quit their jobs without just cause. Those who choose not to work will no longer be eligible for unemployment insurance benefits.

Furthermore, starting on April 4, 1993, the benefit rate will be 57 per cent. Benefits for new claimants will be frozen for the next two years, as is the case for all federal Public Service employees, members of this House, senators, ministers, the Prime Minister and the Governor General. This is a one-time measure that will last two years and is intended as a response to a one-time situation.

Now for a look at the other side of the coin: job creation and training. Premiums paid by small business will be frozen. Furthermore, small businesses which in 1993 pay more unemployment insurance premiums than in 1992 will be eligible for a refundable tax credit for the surplus premiums paid. This measure will encourage them to hire people and create jobs.

• (1635)

We will also spend more on retraining. In 1993, the government will spend $2.21 billion to help nearly a million workers receiving benefits return to the labour market. The budget for this is $260 million more than in 1992 and five times more than was spent in 1990 to train the unemployed. What workers really want is not UI benefits; they want to increase their employability and especially they want work and better access to the labour market. These measures meet their expectations.

As industry restructures, employers and workers agree on who will stay, who will go and what special arrangements will be offered to those who quit. Workers who leave make it possible for other workers to stay and help industries be competitive. Someone who leaves his or her job in these circumstances and looks for other employment will not be considered as having quit voluntarily. Another important point about the amendments presented in this bill directly concerns cases of sexual or other harassment. Arbitration boards will have the power to protect the privacy of victims of harassment. In cases of sexual or other harassment and at the beneficiary's request, the arbitration board can hear the testimony of both parties separately so the beneficiary does not have to be in the same room as the person who harassed him or her.

At the beneficiary's request, the board can conduct the first-level appeal proceedings behind closed doors or in private and exclude the public and media. Last week, the member for Hamilton East asked whether these were minor or major changes. She knows very well that in many cases, victims of sexual harassment hesitate to speak out because it is often embarrassing for them to do so and it is not always easy to talk about it. If the member for Hamilton East and others are really serious when they talk about sexual harassment and how trying an experience it is for the victims, I am sure they will appreciate these amendments for what they are and will support these measures contained in Bill C-113.

Two years ago, the unemployment insurance account had a $2.2 billion surplus. In 1992, this surplus became a $4.5 billion deficit. In fact, if we do not modify the unemployment insurance program, the forecast deficit will rise to over $8 billion in 1993. By making the proposed changes, the government can reduce this deficit to $7.5 billion. We had a choice to take these measures or increase premiums, which would have led to lay-offs, or borrow yet again and increase the deficit. We know very well that when we borrow to finance deficits it is your children and mine and future generations who will have to pay these deficits in the end. We had the choice to make the right decision, namely control costs by giving benefits to those who really need them. What the opposition proposes, I repeat, is to pass the bill on to those who will come after us and finance people who quit their jobs for no valid reason and abuse the system.

As the Prime Minister said last Tuesday, Canada's generosity to the unemployed is unmatched in the OECD countries, but I do not think we have to pay benefits, with money taken from one's fellow citizens, to someone who quits a job without reason, provocation or cause. I think the Government of Canada has made a good decision.

• (1640)

As I said earlier, these changes are based on the principle of fairness. I am the first to recognize that this principle takes precedence over budgetary restraints. The Canadian people should not be led to believe that UI benefits will no longer be available if they lose their jobs through no fault of their own. It is absolutely not true and it is very unfortunate that there is so much disinformation on this subject. We are told over and over that with Bill C–113 after April 4, Canadian workers will no longer be entitled to unemployment insurance. That is not true. Nothing will have changed. Canadian workers will continue to be entitled to unemployment insurance, with the exception of those who leave their jobs without just cause.

The choice facing us is clear. We must raise either premiums or taxes. The figures from the department are very clear. A 20–cent increase in premiums means 30,000 more people will be out of work. The alternative is to ensure that ultimately the system will be fairer to the people it was intended for.

Of course we could bury our heads in the sand and pretend that the deficit does not exist, act like the Liberals did and totally ignore this reality. We might even print more money, as suggested by the hon. member for Timmins—Chapleau. Frankly, where does the opposition think that money comes from? The days when we could say that an extra million is no big deal are long gone. But it would seem that the opposition is not aware of that yet.

It is pretty straightforward. Those who quit without just cause, without a good reason, cannot expect to live off the Canadian workers. On the other hand, the unemployment insurance account deficit should not be increased simply because those who voluntarily leave their jobs want to benefit from the safety net put in place for people who lose their jobs for reasons beyond their control.

Last year approximately 225,000 Canadians decided not to work, including 40,000 who were dismissed for misconduct. They have cost the unemployment insurance program nearly $1 billion.

Now let us take a closer look at who does not fall in that category: workers who quit their jobs because of sexual or other harassment, because of dangerous working conditions, because of the obligation to move to another city where their spouse has found work, because of the obligation to care for a member of their immediate family, because of another employment, because of discrimination, significant salary reductions, excessive overtime or refusal to pay for overtime work, significant changes in work duties, antagonistic relations with a supervisor for which they are not primarily responsible, because of illegal or unethical practices on the part of their employer, because of discrimination for belonging to a workers' organization, because of undue pressure to take an early retirement to protect the jobs of co–workers when employers decide to make staff reductions or because of such other reasonable circumstances as are prescribed.

All people who leave their jobs for those reasons are eligible for unemployment insurance. Should a worker have to leave his or her job for any of these reasons, he or she would not be affected by the changes to the legislation because it would be just cause and he or she would collect UI benefits.

The proposed changes would not affect employees who leave their jobs with the consent of their employers to save the jobs of their colleagues when staff reductions must be made.

In the end, what are we left with? There is what we call voluntary departures when an employee quits his or her job without justification, when he or she chooses not to work. That person is no longer entitled to unemployment insurance benefits.

• (1645)

Workers dismissed for misconduct will not receive benefits either. Assault and theft are both examples of misconduct. Those are the two groups for which the opposition is prepared to pay benefits. Madam Speaker, think about it: 225,000 applications, $1 billion, debt for those who will follow us, debt to pay people who abuse the system. Does the opposition have so little respect for my children, their children and those who come after us that they want to indebt them and make them bear the burden of a debt that will have to be paid later so that those who abuse the system can profit from it?

How do we know that unemployment insurance officers will make the right decision? That question is also asked. We know they will because they are guided by over 40 years of precedents with unemployment insurance and over 50 years of experience in administering the unemployment insurance program. I think it should also

be mentioned that 75 per cent of the officers who deal with beneficiaries and make decisions on applications are women. If a beneficiary does not agree with the officer's decision that he or she quit voluntarily or lost his or her job for misconduct, that person can appeal to an independent board of referees.

Mr. Samson: They can wait two years.

Mr. Robitaille: Madam Speaker, the member for Timmins—Chapleau says they can wait two years. I think he is somewhat mistaken about the process. The member for Timmins—Chapleau does not seem to know the process. Usually, and it is recognized, the average wait for someone appealing to the unemployment insurance tribunal is two to three months. I suggest that the hon. member for Timmins—Chapleau check his figures before saying anything and spreading misinformation.

If the beneficiary does not agree with the decision of the board of referees, an appeal can be made with the umpire. If that is not satisfactory, the beneficiary can go to court, even to the Supreme Court. Think about it. In November 1990, sexual harassment was first introduced in the act. It was not introduced when our Liberal friends were in power. This Conservative government put it in the act. There has not been a single complaint on how employment and immigration handled such applications since then. No appeal has been made to the board of referees.

Unemployment insurance provides temporary help to workers who lost their jobs and are looking for other ones. Unemployment insurance is not an income support system for those who choose to be unemployed. Canadians have long been an adaptable people who keep up with the times. These changes are meant to harmonize the needs of Canadians who work hard for their living and those who want to work.

To slow the skyrocketing increase of the UI account deficit which threatens the system's very viability, we are imposing a freeze for the next two years, not a reduction as the opposition claims. We will be able to show that after April 4. We are freezing the amount of benefits just as we froze our own salaries and public servants' salaries, exactly as many Canadian companies have frozen their employees' salaries. We are all in the same boat. Benefits will not be reduced for those now receiving unemployment insurance. Despite the freeze, Canadians will still have a more generous and fair unemployment insurance plan than what Italy, Great Britain, the United States and many other countries offer their workers.

• (1650)

Finally, we are tackling the unemployment insurance account deficit and, as part of this process, we want to put an end to abuse of this system. In that way we are different from the Liberals who let things go. We are also different from the New Democrats who want to spend money to protect those who abuse the system, while trying to make us believe they want to limit expenditures.

This distinguishes us from the Bloc Quebecois as well. It is taking a stand motivated only by political opportunism. Its members are no longer free to make up their minds independently because they are in the pockets of the likes of Gérald Larose, Fernand Daoust and Lorraine Pagé. It is fine to object, but what alternatives do these people have to offer? None.

We are enabling a greater number of Canadians to retrain and we are sparing no effort to allow them to re-enter the labour force. We are making more funds available to ensure that Canadians who want to work find employment as quickly as possible.

Training and upgrading are one aspect, but the other is job creation. Small businesses are major contributors to both job creation and economic growth. This government recognized that fact in its recent economic statement. New employment incentives were added in the form of a refundable tax credit for small businesses where UI employer premium payments are above the 1992 level.

More than 900,000 Canadian businesses are eligible for this incentive program. These measures will allow small business to create real jobs, increase the number of hours worked by part-time workers or raise their employees' wages. How many workers will benefit from these measures?

Madam Speaker, you are signalling that my speaking time is up, but just allow me to add this: Bill C-113 is of necessity based on fairness, job creation and incentive for our small and medium-sized businesses.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Madam Speaker, it must be pointed out to the hon. member that many people oppose this bill, not only labour organizations, but also the Quebec Bar Association and the Conseil du patronat, and that goes for both versions of the legislation.

I would like to tell the member what the Quebec bar said: "The total disqualification of a claimant's right to benefit in all cases of unjustified voluntary departure as defined in the legislation, or of dismissal for misconduct would be unrealistic, given the conflicts which occur in labour relations". This opinion is from people who cannot really be suspected of being steadfast allies of the labour unions. I am referring to the Quebec bar and the Conseil du patronat.

I should also tell the hon. member that there have been suggestions. For example, if the government had said that from now on, to be eligible for UI benefits, any claimant would have to take a vocational training course, I think that all of us in this House would have applauded and supported such a reform of the unemployment insurance system. Not only is it not the case, but to be eligible for occupational training one must receive either unemployment insurance or welfare. Those who will be excluded under this reform will get neither.

There are people who will receive no vocational training and this is the main problem with employment, because Canada ranks about 22nd among the 24 members of the OECD in terms of occupational training.

I want to mention two specific cases to the hon. member and then I would like him to comment. Let us consider the case of cheaters. There are cheaters and one of the most frequent forms of cheating is in small business. Small businesses, in collusion with their employees, increase the employees' salaries and then lay them off for lack of work. We are not talking about voluntary departure or misconduct. Then, these people continue to work for the same employer while receiving UI benefits.

• (1655)

The bill does not in any way deal with this type of fraud which is one of the most frequent. A second example—

Madam Deputy Speaker: I would like to remind the hon. member that he was not recognized for debate but for questions and comments, and he has already used up three minutes. I would appreciate it if he finished what he has to say.

After four years the hon. member also ought to know that he should take his seat when the Speaker rises. Thank you.

I strongly suggest that the hon. member finish his comment, give the hon. member who had the floor a chance to respond and let the Chair recognize someone else as well during this 10 minute period.

Mr. Duceppe: I will finish my second question. Take the example of an employee who has been with CIP for 25 years, becomes unemployed and happens to find a job in a small business. After three days, he feels the terms are unacceptable, leaves his job and goes to the unemployment insurance office and is told he is no longer eligible for benefits. Does the hon. member think this person will take a chance finding a job or does he think that person will say that he is not taking any chances, and will take his benefits? These are people who will no longer make the effort.

Mr. Robitaille: Madam Speaker, I will not thank the hon. member for his comments, because it is really incredible when you hear all the misinformation the hon. member has just given here in the House. He just said that the Conseil du patronat and the Quebec Bar Association were opposed to the bill. That is false. The Conseil du patronat expressed reservations when we tabled Bill C-105. I suggest the hon. member have another talk with Mr. Dufour. He would realize that Mr. Dufour, who is the president of the Conseil du patronat, has now expressed his support for Bill C-113, thus acknowledging that we made the necessary amendments in response to his concerns.

As for occupational training, it is targeted to those who are on unemployment insurance. Often, if you want to help these people get back into the labour market quickly, training requirements may be different so they may need extra training. There are thousands of people and as I said in my speech earlier today, over one million

Canadians will have access to training courses because we have taken steps to provide the necessary funds to help these workers instead of simply giving them an unemployment insurance cheque.

I would like to answer all his questions, since he had several. The hon. member refers to possible collusion between employers and employees on completing termination forms. I would suggest the hon. member re-read Bill C-21, which provides severe penalties for employers in case of collusion. We have investigators who are constantly on the job. Last year, more than $280 million was recovered by investigators in cases of collusion and fraud.

As for the CIP worker who had worked for 25 years, I must say these points have already been raised. In this particular case I would suggest the hon. member take another look at Bill C-113 because it contains certain adjustments that deal with the type of case the hon. member just mentioned.

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, what really surprises me in the speech made by the hon. member for Terrebonne is his insensitivity and lack of understanding of the issue. The hon. member essentially tries to interpret everything regarding the unemployment problem. We know that the unemployment insurance officer makes the final decision. This officer interprets the law and is both judge and jury. This, in my opinion, is a major flaw.

• (1700)

I want to ask the member for Terrebonne how he can guarantee fairness, understanding and sensitivity to the workers when the form which must be filled out to indicate why a person is leaving his or her job is completed and signed by the employer. The employee has no say in the process. He cannot see the form which is then sent to the unemployment insurance officer who, as I said, becomes both judge and jury. The employee who surely quit his job for a good reason is a victim in this process.

Mr. Robitaille: Madam Speaker, I thank the hon. member for his question, which is much more interesting than the one from his colleague in the Bloc Quebecois.

I would point out to my colleague from the Liberal Party that it is totally wrong to claim that the officer who will deal with the case will simply base his decision on the employer's version as given in the termination of employment form. If my colleague bothers to check his documents and Bill C-113, he will see that from now on the unemployment insurance officer will have to take into account the written versions of both the employer and the employee. If the officer really cannot decide on the basis of these two versions, the employee will get the benefit of the doubt and that is clearly stated. I conclude by saying that it is insensitive to let the deficit of the unemployment insurance fund grow and put in debt those who will follow us.

Mrs. Marlene Catterall (Ottawa-West): Madam Speaker, I am pleased to speak against Bill C-113. I will begin with this question: What is the situation in Canada during this long, cold winter of 1993? What is the reality which Canadian workers face? The reality is that 1.6 million people are without a job. More than two million people must rely on social assistance to survive and feed their families. There are some five million Canadians who suffer from high unemployment and the lack of jobs in our country, one of the richest in the world.

[*English*]

In light of the desperate situation for over five million Canadians what does this government want to do? It wants to make life harder for those living through this hard and miserable winter without a job. It wants to say to them that if they lose their jobs through no fault of their own it will be cutting the already miserable income they have to live on to pay their municipal taxes, pay their mortgage, pay their rent and buy food and clothing for their children. It is doing more than that. It is telling them that if they quit their jobs it must be their fault.

I would like to ask people on the other side of the House who have very generous salaries, as I do, if they really think that someone earning $18,000, $20,000, $25,000 a year is going to voluntarily quit a job to earn half that amount of money on UI. Do they honestly think someone earning that kind of a salary is going to quit a job and wait between two and three months to have any income whatsoever? Do they think Canadians believe that?

• (1705)

We all know that any system is going to have a few people who are going to take advantage of it. The members opposite who are bringing in this bill know how very small that number is. However, to change a whole system to punish those who are simply trying to survive this recession in Canada is unjust.

Obviously the government has forgotten the purpose of the unemployment insurance plan. Yes, it is to help workers through difficult times, but that is only part of it. Part of the reason for helping workers through difficult times is so when times get better—hopefully they are getting better now or are starting to get better—those people are still in their communities to work on the jobs that come back when the recession is over.

That is why this plan relies on the contributions of both employers and employees because it benefits both. It also helps communities. One of the big reasons for bringing in unemployment insurance after the Second World War was to avoid the tremendous disruption that happened not only to families and individuals but to communities across this country. Small towns and villages and rural communities across Canada were emptied out as people hit the rails looking for any kind of work anywhere they could find it. Businesses were robbed of their customer bases and closed down. Families broke up. Communities fell apart never to come back again.

We have an unemployment insurance scheme to help workers through tough times, help employers retain their employment bases for when the jobs come back and prevent the destruction of communities and families.

I had the privilege during the debate on Bill C-21, which was the previous round of amendments to the Unemployment Insurance Act, to travel across Canada to listen to seasonal workers, women workers, transitory workers, people in the construction industry and people from all parts of this country. They talked about what the unemployment insurance scheme has meant to them and their families over the years. The unemployment situation was not nearly as bad then as it is now, but it was a matter of survival.

We have a country where it is cold and dark for a good part of the year. That means there are a lot of jobs that simply disappear for the winter. There are other jobs that simply disappear for the summer. For many people in many fields of endeavour, 12 months of work is simply not possible in this country.

There was an interview this morning about the construction industry and whether people who are out of work for the winter in this industry really should not be transferring to some other kind of work. I do not think the construction companies that want those employees there when the jobs come back really think that is a terrific idea, but they also know one cannot pour concrete in the middle of winter and one cannot lay asphalt.

The reality of Canada is that we are always going to have those periods when there are no jobs.

I want to talk briefly about harassment because I doubt very much that the people on the other side who are supporting this bill really understand what a woman experiences. They do not know how difficult it is for her to deal with in the work place, decide that she will sacrifice the economic well-being of her family to protect her dignity by quitting her job and then have to prove she was harassed before she can collect unemployment insurance.

• (1710)

The minister talked about training for employees who have to deal with claims of harassment in the work place, but did not talk about training for the referees who will make the final decisions.

As I look through the close to 200 appointments that have been made by the Prime Minister and cabinet in the last couple of months and I look at the appointments to the boards of referees under the unemployment insurance scheme, I see very few women's names among them.

We heard talk about how the unemployment insurance fund is in such a mess because of training. The unemployment insurance fund is not in a mess because of training. It is because this government chose to give up its responsibilities to train people and retrain them. Instead, it has forced employees, the unemployed and employers to pay for training.

It wants Canadians to forget that it cut $750 million for training at a time when we needed to be more competitive and productive. It increased unemployment insurance fees by over 30 per cent. It increased the burden on

small businesses that are barely hanging on by their teeth.

Now it is saying to those same people who have seen their contributions to the unemployment insurance scheme increased dramatically along with decreased access and decreased benefits: "We are going to cut you off even further". It is a cruel and inhumane way to deal with Canadians in this harsh winter of 1993.

I want to go to the other part of the bill that deals with the freeze on Public Service wages. I want to remind the House that by the time this bill has run its course, for three out of four years, the quarter of a million people who work for the people of Canada will have had no salary increase.

That is on top of a decade of declining real income for the Public Service of Canada. This is a pattern where federal Public Service employees have consistently taken less than the rate of inflation, less than the private sector and less than the rest of the public sector in wage increases. They therefore have seen their real income decline dramatically.

What is the reward for trying to be part of the solution in this country? It is another two years of no salary increase. It is fine for the member for Terrebonne to get up and talk about how members of Parliament are not getting an increase and how judges are not getting an increase. We do not need all of our salary to pay for the essentials of life.

Let me tell you about some of the people who work for the Public Service of Canada because that is where this government made its big mistake. It forced its largest union in the Public Service into a strike two years ago.

That let Canadians see that we have a lot of people working for them and earning very little money. We have people working for the Government of Canada and the people of Canada risking their lives as rescue workers as part of crews on ships for less than $20,000 a year.

We have over one-quarter of the Public Service of Canada earning less than $30,000 a year at a time when the National Council on Welfare says the poverty line for a family of four is more than $30,000.

I suspect that if this legislation were challenged before the Human Rights Commission it would be struck down as contrary to the Charter of Rights and Freedoms because close to 70 per cent of the people earning less than $30,000 while working for the Government of Canada are women.

A bill that freezes wages and gives nothing to those at the lowest level who are already spending every cent of their salaries on the necessities of life puts people further into poverty. It hits those in the lowest income brackets the hardest.

• (1715)

The history of this government has been to hit hardest those who have the least. When we impose increases in the unemployment insurance scheme they only apply to salaries under a certain limit. When we impose increases in Canada Pension Plan contributions they only apply to salaries under a certain limit. Those earning more than that and who are already better off do not have to pay that extra penalty.

After three years of zero increase at a time when the federal government is also downsizing we are forcing people into permanent retirement for which they have worked and saved that is going to be more difficult than it needs to be. With retirement incomes based on the last six years of employment and earnings we are saying to people that for four out of those six years they are going to have an average of less than a 1.5 per cent increase. Their pensions for the rest of their retirement will be reduced by that amount.

Is that fair when the government says we are getting rid of tens of thousands of Public Service employees and forcing them onto pensions, unemployment insurance or the welfare rolls? We are forcing them onto pensions before they are ready to retire and we are also going to penalize them a second time by making sure their pension is calculated on wages that have been frozen for three years.

This government was criticized by the Public Service Staff Relations Board for bad faith bargaining when it did this two years ago. It was condemned by conciliation board reports at that time for bargaining in bad faith. Barely two months ago the International Labour Organization, a member body of the United Nations composed of employers, employees and government representatives chastised the Government of Canada for its failure to bargain with its employees.

I want to conclude with a statement from the Conference Board of Canada which clearly describes the economic measures in this bill and in the December mini budget statement by the Minister of Finance. It says: "The over-all impact of the measures will be slightly contradictory, lowering real GDP growth by roughly 1.1 per cent in 1992 and .2 per cent in 1993".

In other words, the recovery we are hoping for this year will be diminished by 10 per cent. Why do I tie that directly to this bill? I do so because the Conference Board of Canada said that consumer spending will be hardest hit as the most important cost-saving measures were cuts in unemployment insurance benefits and a freeze on Public Service wages. Those are exactly the two issues we are dealing with in this bill that is before the House today.

Contradictory and counterproductive is how the Conference of Board of Canada described these measures. It also went on to say: "Further, given the pressure on provincial government finances, partly caused by this government's cuts in transfer payments to the provinces, ceilings on transfer payments and increased dumping of people who are out of a job onto the welfare system, not the UI system"—and we see it happening again today—"if wage freezes are also imposed at the provincial level, and particularly if they extend into the schools and hospitals, this would again further substantially reduce purchasing power in 1993 generating lower growth than is currently forecast".

At a time when the people of Canada are trying to come out of a recession and are trying to reduce the more than five million Canadian men, women and children who are suffering the effects of unemployment, this government is introducing budget measures to dampen that recovery. We will be voting against this bill and I encourage others to do so as well.

• (1720)

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I have a question for the hon. member for Ottawa West.

Clause 17 in part IV of Bill C-113 says "an amount equal to 57 per cent of the claimant's average weekly insurable earnings". We know that if someone earns $500 gross per week, 60 per cent of that is $300. As of April 4, the same person earning $500, with a 57 per cent rate will, according to the chart that I have, receive $285.

Can the hon. member tell me if it is acceptable that a man who has a wife and four children will now lose $60 per month of his purchasing power? Does the member agree with this bill and the rate going from 60 to 57 per cent, especially in the case of a family?

Mrs. Catterall: Madam Speaker, I believe I clearly indicated I do not agree with this legislation.

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I want to congratulate the hon. member for Ottawa West, who is the Liberal critic for the Public Service. I have the honour of being her assistant on this issue. She always shows sensitivity toward civil servants, something I have seldom seen from the present federal government.

The member for Ottawa West referred to the insufficient salary increases and the detrimental effect this could have on the economy in general and on families in particular. A chart shows that over a four-year period, salaries in the private sector have increased by an average of 3 per cent while the salaries of public servants have gone up by an average of 0.75 per cent per year. On average, salaries in the private sector have increased 400 per cent more than in the Public Service.

I would like to give my colleague from Ottawa West an opportunity to comment on the fact that there seems to be a double standard. On the one hand, the government appears to want to help major companies and on the other hand, it takes advantage of its employees and uses them to supposedly control the national debt.

[*English*]

Mrs. Catterall: Madam Speaker, in the time I have been in the House the national deficit has been used by this government as an excuse for literally every measure it has undertaken. It is punitive and it hits those with the least income who are least able to pay the freight.

I have now sat through four budgets and what do I see? I see a debt that keeps increasing. I see the amount we are paying in interest that keeps growing.

In my view what the economy needs is more jobs. Quite simply, that is why we have an unemployment

insurance scheme that is overspent. It is why we have a social insurance system that is costing us more and more. It is because people do not have jobs.

The government seems to have a hard time comprehending that if people have jobs they do not need unemployment insurance and they do not need social welfare. In fact they pay income taxes. They go out and buy goods and services that create profits for small, medium and large businesses. That creates jobs for other Canadians who can then stop claiming unemployment insurance or drawing welfare and start paying income taxes and buying goods and services that create jobs for other Canadians. It seems to me that is the kind of upward spiral that would bring some sense of hope back to this country and to families and individuals in this country.

• (1725)

I did mention there has been a pattern of wage settlements in the Public Service of Canada that have been consistently less than what the private sector is getting, less than other areas of the public sector are getting, municipalities, provinces, hospitals, schools and so on, less than the rate of inflation.

Public Service employees have done their share of trying to contain government spending when it comes to sitting down at the bargaining table. All they ask for is the right to sit down at the bargaining table. They have done their share, have shown they are prepared to do it and they are prepared to do it again.

What do they get instead? What do they get for their willingness to be part of the solution? They get another two years of wage freeze. That is not fair. That is not the kind of thing that encourages Public Service employees to regard themselves as partners with government in running this country, that encourages them to be productive and contribute to the country.

Mr. Cid Samson (Timmins—Chapleau): Madam Speaker, I would like to thank the member for Ottawa West for her speech. I think she did a very good job and she raised quite a few excellent points.

There is one thing I would like to ask the member. Over the last three weeks or so we have been asking the minister of employment over and over again to give us some statistics to prove that all these people he claims have quit their jobs are loafing around and taking advantage of the system are actual people. We have asked him time and time again to give us the proof, the numbers and the statistics. He has continuously said: "Ask for it on the Order Paper". He has done all kinds of neat little things in the House to avoid the question.

I would like to ask the member a question. We are speaking on the hoist motion of six months that her party has put forward on this particular piece of legislation. Given that in 1989 the Auditor General clearly identified severe inconsistencies across the country on the application of UI penalties and the application of UI legislation, is it far beyond the time for the Auditor General to now do a thorough investigation, paying particular attention to the quits and fireds, as it pertains to this new legislation?

Mrs. Catterall: Madam Speaker, I think we have to look at two things. For people to do their job well there have to be the human resources. One area of government that has been hardest hit is the employment offices of Canada Employment and Immigration. People in those offices are frustrated because they are working long hours of overtime, often under very difficult conditions. They are dealing with people who do not have jobs, who are desperate, terrified, crying and who wonder how they are going to support their families. They are working under a great deal of strain. The number of people employed has dropped. They are no longer able to help unemployed people find jobs. They can only be processors of applications and advise people to take a look at the job board.

It is no wonder people who are unemployed are having greater difficulty accessing training and services they used to get in terms of finding new employment. The number, as I said, of cheaters in the system is so small that to administer the system to catch every one of them would cost many times more than the amount of money saved.

• (1730)

I do not know whether the Auditor General knows, but if the government knows there are cheaters in the system it should be doing something about them. It should be providing the resources in the department to do something about them rather than punishing those who it says are choosing to quit their jobs.

It is the most ridiculous statement I ever heard.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I have listened very carefully and I have to say that all of us have heard a lot of nonsense spoken in this House and, indeed, outside this House recently concerning these proposed amendments to the UI act.

We have been told that workers are going to be at the mercy of their employers, that employers can use certain clauses to punish the employees, even to curtail legitimate union activities, that under the changes fired workers will have to prove they were not fired for misconduct.

Members of the opposition have conjured up the spectre of people who say they have left a job to escape sexual harassment being subjected to some sort of humiliating public inquiry. We have heard that the Canada Employment and Immigration Commission staff is going to try to deny benefits to claimants who left their jobs with just cause.

We have been told the government is attacking the unemployed and proposing to cut people off UI.

The members of the opposition are frightening Canadians with inflammatory rhetoric in an effort to score cheap political points. That is not what this bill is doing and that is not what we are doing.

Let us look behind the facts, behind all smoke-screen and see how Bill C-113 works. It works to provide a fairer, more equitable unemployment insurance system for all Canadians. The government proposes to eliminate UI benefits to voluntary quitters. That means people who choose not to work will not be eligible for UI benefits. It is as simple as that. I ask the members of the opposition to explain in plain English, in plain French, in plain language just why people who quit work for no good reason or who are unemployed because of their own misconduct should be supported by the working Canadians and the employers. I ask them.

Let us not pretend that some people do not take advantage of the UI system working only as long as it takes to accumulate the minimum number of weeks to file and then quitting. It is happening and everybody knows it is happening. All we have to do is look at the numbers.

Last year the UI system spent almost $1 billion to support 225,000 people who decided either not to work or were fired for misconduct. Even though they do make up a small percentage of the total claims, they are making a big dent in that UI account. That $1 billion could be used to reduce the deficit in the UI account.

Perhaps members in the opposition will explain to Canadians why the entire UI system should be jeopardized so voluntary quitters can have a comfortable holiday.

Before members start telling me that in these times no one quits their job because they want to, let me clarify. Two hundred and twenty-five thousand people quit their jobs without just cause. There was no sexual harassment, no discrimination and no responsibility to look after a sick child, no reference to any of the 40 reasons to quit a job with cause. That is 225,000 people who just plain quit, despite the economy.

• (1735)

No one who has an interruption of earnings through no fault of his or her own has anything to worry about with regard to these changes. The term just cause was defined in the UI act to protect the workers who have legitimate reasons to leave their employment. The act already lists five reasons that constitute just cause.

Bill C-113 proposes eight additional reasons to be incorporated into the legislation. If you quit your job because you have been sexually harassed, are facing discrimination or hazardous working conditions, followed your spouse to another city or these needed to take care of a child or any other invalid, these are just causes and you will have access to UI. It is that simple. You have quit with just cause.

Members opposite should have known this before December 2. If they did not, they are going to know it now.

What about the people who thought they had just cause even before the system said they did not? Before Bill C-113, if a Canada Employment Centre agent determined that you quit without just cause or you were dismissed for misconduct and you disagreed, you could appeal to an independent board of referees. That still remains.

After Bill C-113 you will still have the right to appeal the decision. In fact, the bill before us will strengthen the protection provided to Canadians who appeal an insurance agent's decision. The bill gives the chairperson of the board of referees the authority to take the steps necessary to protect the privacy of harassment victims.

Let us look at some of the common misconceptions about the impact of the proposed changes. We have heard it said that employers will have greater power over the workers. First of all, the Canada Employment Centre staff members do not make decisions based solely on information provided by the employer. They try to obtain all the necessary facts from all the appropriate sources, including the claimant. They collect all the pertinent information available and make the decision based on the credibility of the statements and the testimony. If employee versions are dramatically different and no evidence is found to tip the balance one way or the other, they give the benefit of the doubt to the claimant.

The Canada Employment Centre staff's responsibility is to find out why someone quit and to determine whether it was a reasonable thing to do under the circumstances, in other words, whether the claimant had just cause.

Where sexual harassment is alleged, neither the claimant nor the employer will be subjected to intensive, possibly even distasteful questioning. Here again the benefit of the doubt will go to the claimant.

Some people have argued that there are legitimate reasons for leaving a job, other than those set down in the UI act. That is so. Other reasons are and will continue to be considered on the basis of their merit. They have also argued that Canadians should not be penalized from receiving benefits if they leave a job in order to preserve the job of other co-workers. We agree on that one. That is why workers who leave jobs to preserve the jobs of their co-workers as part of the work force reduction plan program will be eligible for UI benefits.

• (1740)

Since the Minister of Finance made his economic statement, some critics have alleged that the changes deny some workers their right to UI benefits. Let us remember that unemployment insurance benefits are not a right. They are insurance. They are insurance against, in most cases, the involuntary loss of a job. Unemployment insurance is designed to provide temporary help for workers who have lost their jobs. UI provides the income support they need while they look for new jobs. It should not be an income support system for people who choose unemployment. After all, no one expects to be able to deliberately burn down his or her house and then collect the insurance. Why should anyone expect to deliberately quit his or her job and collect unemployment insurance?

Would the members opposite suggest that a farmer who burns his fields and then asks for crop insurance should get it? I do not think so. As for the charge that the Canadian Employment Centre staff would actually try to deny benefits to claimants with just cause is an insult to those dedicated professionals who staff these positions right across our country.

Their job is to collect the pertinent information from all sources and make the decision. They are trained to understand the difficulties faced by the unemployed workers and to respond to the claimant as a human being rather than as a claim being processed.

Before the proposed changes go into effect the Canada Employment Centre will conduct staff orientation sessions to increase the awareness among the staff, particularly in the area of sexual harassment. These orientation sessions will be prepared with the participation of the status of women. We look forward to its input.

Specific training will now include how to process claims under the new legislation, how to focus on the relevant facts of each particular situation, how to apply the principles and practices of adjudication and how to evaluate information when making the decision.

Why is the government proposing these changes? I think it is obvious. UI was set up to provide people who lose their jobs through no fault of their own with a temporary income while they look for work.

Employees and employers fund the UI program by paying premiums. However, the premiums being collected no longer cover all the claims for UI benefits. From a $2.2 billion surplus in 1990, the UI account has gone to a $4.5 billion deficit. Even with these proposed changes, it is estimated that the UI account will be $7.5 billion in the red by the end of this year. Without the changes, it is projected that the account would be $8.5 billion in the red.

It is obvious to most Canadians, if not to the opposition, that something has to be done to staunch this flood of red ink. There are only two ways to tackle this issue,

raise the premiums or cap the expenditures. That is our choice.

Premiums have already gone up by one-third in the last 18 months. Raising them again would put an unduly heavy burden on the employees and employers. That leaves capping the expenditures the government chooses to do by freezing benefits for new claimants and eliminating benefits for voluntary quitters and those who are fired for misconduct. These changes will reduce the UI deficit without raising the premiums.

• (1745)

Of course amid all the partisan criticism and hysteria there has been no mention of the government's training and job creation initiatives aimed at getting those people who are unemployed back into the work force as quickly as possible. In fact, the government's first priority is to get people back into the work force while helping those who are seeking jobs.

We are spending $3.8 billion on retraining so workers can learn the skills they need in today's work place. Using a period of unemployment to upgrade workers' skills is absolutely necessary. It is going to provide that worker with better skills suited to help him or her find a job in the market and help him or her get a stable, long-term job.

UI training programs offer more than an income between jobs; they offer a future. In total, more than one million Canadians are going to benefit from the skills training and retraining. This is the best way to help—and I have heard them speak of it—the unemployed people get back into the work force. That is $3.8 billion for training and retraining. Getting people back into the work force is an effective way of cutting the UI deficit.

In 1993, $2.2 billion will be spent in developmental uses funds under the UI Act to help UI recipients get back into the work force. An estimated 530,000 UI claimants are eligible for these programs. Spending on these programs is up nearly $260 million from 1992. That is almost five times higher than it was for training programs for the unemployed in 1990.

These programs will give displaced workers quick access to training and other re-employment opportunities.

The government has also increased the self-employment assistance budget from $25 million to $100 million. It has set aside $300 million to assist displaced, experienced workers who suddenly find themselves out of a job after working for many years. To help avoid lay-offs, the government has dedicated $130 million to the work-sharing program. This is done by shortening the work week by one to three days and paying reduced wages. For the days not worked, the workers draw a normal UI benefit.

Through the job creation program, the government helps unemployed workers get back into the work force by maintaining and enhancing their skills while receiving UI benefits when other employment is not available. We have seen a great use for this job creation program. I have been in the UI employment centre office at Centre 70 in Calgary. I must say that while one would always like more funding to be put into the system, what is there is being used extremely successfully.

I have to say that far from attacking the unemployed, this government is attacking unemployment at the root. We all know that Canada is going through a difficult transition and we are adjusting to changes in the global economy. It is not just here in Canada but south of the border in the U.S., in England, in France, in Germany, in Spain, in Sweden and even in Japan. Nobody wishes this on anyone.

We need every Canadian worker to continue working.

• (1750)

We need every Canadian worker to contribute to the economy unless he or she has a valid reason for leaving the job. We know we have to equip our work force with the skills needed to meet the demands of the new technology, and technology is changing.

This is only the first of the changes we really must undergo. I hope the Leader of the Opposition can forgive me for borrowing one of President Clinton's lines, but it is time we became a nation of producers rather than a nation of consumers.

It is time we recognized once again the value of work and the personal and economic freedom that a job brings. It is time we recognized the contribution each job makes to the national economy and the well-being of our nation. When we have people working we have a nation that is flourishing. It is time we stopped paying people who choose to be unemployed.

Canada does stand at the crossroads. If we do not sharpen our competitive edge we may lose the comfortable standard of living Canadians now take for granted. The government is not going to sit on the sidelines and it is not going to mislead Canadians. We are getting Canada ready to compete in the new global economy of the 21st century.

The hon. members opposite cannot lead, so what way are we going to go? Will they get in the way or will they follow Canadians to build a common prosperous future together? When we are all working we can maintain our standard of living and the social safety net and social services for those people who really need them.

We should not pay people who voluntarily quit, but we will help people who quit for just cause.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I listened very closely to the rhetoric of the member for Calgary Southwest.

I am absolutely stunned by some of the things this member is trying to make Canadians believe. It is absolutely incredible that this member would stand in this House and try to tell us that 225,000 people in this country voluntarily quit with absolutely no just cause simply because they wanted to sit at home and become couch potatoes.

She cannot give us the evidence. She cannot show us in detail the number of people who quit with just cause, who cite sexual harassment, who want to move with their spouse, or who want to attend a sick child. She does not have those figures. She cannot tell us how many of those people appealed the decision to end their benefits, won, and then had those decisions reversed and overturned. She cannot give us any of those figures, yet she has the nerve to stand in this House and try to tell us that these people have to pay their share to get the deficit reduced. This is absolutely incredible.

The member misses the point that there are severe flaws in the system as it exists today. This legislation does absolutely nothing to rectify any of those flaws. It does nothing to rectify the inconsistencies in the decisions being made across this country. It does absolutely nothing to put people back to work.

I would like to ask the minister to give me the figures to prove that 225,000 people are quitting without just cause. It is absolutely absurd and she does not have those figures. I would like to ask her to prove her statement.

Mrs. Sparrow: Mr. Speaker, as I mentioned in my address, there are 225,000 people in Canada who quit their jobs voluntarily. There was no just cause. It cost the employees and the employers $1 billion from the UI fund. These people did not have just cause, of which there are 40 areas listed. Why did they quit? They quit for no reason at all.

• (1755)

An hon. member: Not true.

Mrs. Sparrow: They had worked their entrance time. That is 225,000 people.

I spent quite a bit of time in the UI centre in my riding. I went in there to deliberately speak to the Canada Employment Centre staff. I have to say the staff members at Centre 70 in Calgary are superb. They go out of their way to assist people. They hear the claims from both the worker and the employee. Indeed, if there is any benefit of doubt I can assure you the ruling is in favour of the claimant.

One thing we have to realize is that anybody who quits because of sexual harassment, which the member mentioned, anybody who quits because they have a sick child to take care of, anybody who quits because their spouse has been moved, anybody who quits due to racial discrimination will be able to collect UI. They will be able to prove it. Now, do not fool Canadians.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker my question is for the member for Calgary Southwest.

I had the pleasure this morning of meeting the building and construction trades representative, Guy Dumoulin, who informed me the government did not approach the building trades of construction to ask their

opinion or for any suggestions or recommendations on this bill. He deplores the fact that the government has no sensitivity toward construction workers.

I would like to ask the member for Calgary Southwest to comment on the following statement: Construction workers often leave employment near the end of a job and go through their union hiring hall to get better work prospects with another contractor. The worker leaves a job on Friday to work elsewhere on Monday. On Monday the truck does not show up, the builder goes bankrupt or the new employer found someone else. This happens all the time. The new job does not appear. How does the worker prove the case before winning the benefits? The first employer says the worker quit and the would-be employer perhaps cannot even be found or denies the story. We would hope the hiring hall would be believed but in some cases a hiring hall would not be involved. Finally, Bill C-113 may stop construction workers from taking the chance of a few extra weeks of work with another employer. Bill C-113 will hurt the construction worker's mobility and advancement.

The director of the building and constructions trade, Guy Dumoulin, has brought to my attention the question of mobility and advancement. I would ask the member for Calgary Southwest to respond to that.

Mrs. Sparrow: Mr. Speaker, indeed every job is very important. Construction workers are very important right across this country. None of us would deny that.

UI was designed to help people who lose their jobs through no fault of their own. It helps them temporarily while they look or now train, and there are training programs, for other work.

This particular bill says if you quit your job voluntarily without just cause, the employees of Canada are not going to subsidize you or pay you to sit at home.

An hon. member: Right on, Bobbie.

Mrs. Sparrow: We cannot afford it. Furthermore, the UI program was not set up for that. As a matter of fact I think if you wanted to take time to check with a couple of UI offices, all you would have to do is make a few phone calls. You can make one to Halifax, one in Quebec, one in Ontario and one in B.C. You can find out the abuse that is in the system.

• (1800)

The UI account exists to assist people who lose their jobs through no fault of their own. We have a choice. We either increase the premiums, which puts pressure on the employers and the employees, or we start going after people who abuse the system.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I am sharing my time with the member for Mission—Coquitlam today.

I am rising to speak on Bill C-113, which has three basic elements. The first element will freeze salary increases for cabinet, government officials, members and so on. The second will make some changes to the Unemployment Insurance Act. The third element, which I will be speaking on as well, will make some changes to the Western Grain Transportation Act, which is an effort by this government to back off from the commitment into perpetuity to the Crow benefit.

I would like to start by discussing the unemployment insurance changes. Essentially the government is proposing to take away the current safety net of a waiting period from 7 to 12 weeks that now exists for those people whose leaving of an employer is in some question. If an employee leaves for what he or she thinks is just cause or for the prospect of another job that does not materialize then the waiting period is from 7 to 12 weeks. If employees leave because they feel they are being sexually harassed they only have to wait from 7 to 12 weeks for unemployment insurance to cut in if they have been unable to find a replacement job.

We have just heard the member from Calgary talk about how this system is being abused. I wanted to spend a few minutes discussing a couple of cases I have had brought to my attention over the past year in which the employees quit for what they thought was just cause, and what I am sure you, Mr. Speaker, would think was just cause, but was not considered by the current rules to be just cause. While they only had to wait 12 weeks before the unemployment insurance would come into effect, in each of these cases they did get a job before that happened. However, with the 7 to 12 week safety net being removed with this proposal they would not be eligible for unemployment insurance.

The kinds of situations raised under the rubric of just cause include the following situation. A young man who had been cross-country trucking for 10 years from coast to coast all across North America recently shifted jobs to a smaller company. While he could survive in the summertime with the equipment, he found that as the roads got worse the equipment was less able to handle

the icy, rough conditions of winter. He began to have brake failures. The heater did not work in his cab. He complained to his employer who said: "In the 1950s we never drove with heaters. Just put on some more clothes". So he did but the brakes did not get better. He began to find that the brakes were not adequate.

The rule of the road is that a driver of a truck that does not pass the road test, a spot test by the traffic board, is responsible for having that truck fixed before he moves it even if he is driving for someone else. He also must wait without pay until that truck is fixed. His employer expects him to have the load arrive at the destination so the driver is responsible for making that truck go. He is also responsible when he takes the vehicle out of the yard in the first place to make sure it is safe to be put on the road. When it was not he refused to drive it and the employer said: "You have quit and you are fired".

The employer gets to fill in the papers explaining the separation and he said: "This man quit". That man is now no longer eligible for unemployment insurance. The system does not permit the employee to file a reason for leaving the employment, only the employer's side is heard.

• (1805)

Under the new rules this person would be without any unemployment insurance even though he had been driving for 10 years and had been contributing all of that time to the fund.

A second separation involved a two-man crew with one man as the boss, the other man as the worker. The person who was in charge of the crew, of the drilling rig and the seismic operation got very drunk and was having problems with drugs. They arrive late because the foreman did not get up on time. They found that the truck, which had been left running overnight at the drill site had run out of fuel.

To indicate his level of competence on this particular day, he began ripping off fuel lines, allegedly to drain the air out of the system. Instead of pulling off fuel lines, he pulled out transmission and brake lines. This is how adept he was at his job on that particular day.

The other worker, who was going to have to handle dynamite with this man in a few minutes when they got the rig going, decide that he was not going to work with him on that day. The report shows that this man quit and he was denied unemployment insurance. There was no way that he could prove just cause because it was his word against the foreman's. Again there was no opportunity for the employee to provide his side of the story.

The rules are unbalanced now. The 7 to 12 weeks are a safety net for people to be kept off the welfare rolls. The changes in this bill will hasten the number of people going on welfare because they will be denied the unemployment benefits they have been paying into for all these years. The system does not permit a fair adjudication of the reasons for leaving their employment.

The government's regulations and instructions to the offices increase its image of hypocrisy among the users of unemployment insurance because of some strange things that go on with the literacy program.

The government says it is improving literacy and trying to train people to be able to read and write and go on to further training. Yet I have numerous examples in my riding of people in their early twenties who decide they probably should complete high school so they can go for further training. They are unable to get approval from the unemployment insurance system to take these upgrading courses.

They have access to a high school in their community. In order to go to a community college or a night course, they will have to drive 150 miles one way. So they enrol at the local high school to complete their grade 12 and are immediately cut off unemployment insurance. They no longer have any money to pay their rent or buy groceries so they have to quit school and go back to seeking employment.

It is a dead-end proposition. It is certainly no way to fight illiteracy if there are rules that do not encourage people to go back and get the kind of training they need.

For the balance of my time I want to turn to the proposed cut of 10 per cent to the Western Grain Transportation Act. This means $72 million less to the railways which will come out of farmers' pockets next year. The year after it will be $104 million. In my district, this means $2.80 a tonne more that farmers will pay

because the government is backing off from its long-standing commitment which goes back to 1897 that this assistance would be there in perpetuity.

It shows the government's commitment is not that long-standing. It shows a breach of faith and it shows that this government does not really care about farm incomes. Farm incomes in Saskatchewan are the lowest they have been since 1938 in real terms. This government has decided in the face of those facts to cause them to pay an increased bill for freight in the coming year. It will mean a net loss of 8 to 10 cents a bushel, depending on the kind of grain grown.

• (1810)

This is unacceptable and I ask the government to reconsider because it is not consistent with its rhetoric when the Liberals were changing the Crow rate. It is not consistent with its alleged concern about farmers and farm income and it is not consistent with trying to keep rural communities viable. This is a proposal that will take more than $40 million out of the net income of Saskatchewan farmers in the coming crop year and it is simply not an acceptable action on the part of the government.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I am really very sorry that the hon. member who spoke from the government bench prior to my colleague has left the Chamber because I think it would have been important for her to hear. I was anxious to ask her a question or at least put forward a question to the government. Possibly there are other members of the government who will take this question back to the minister responsible.

I am referring to the parts of Bill C-113 which refer to discharge. These are the unemployment insurance amendments that are in the bill. I had hoped the government member could have explained to us the meaning of the terms "discharged", "terminated", "dispensed with", and "severed". They are quite different. The interpretations under jurisprudence and industrial relations are quite different. Yet the act refers to discharge.

I was hoping the member could also talk about or explain the difference between culpable discharge and non-culpable discharge, in termination. It is important that this be raised because it is my understanding culpable discharge is when the employer has reasonable grounds to discharge an employee for his or her behaviour which he or she has control of. There are many examples in jurisprudence and arbitration of culpable discharge.

On the other hand, non-culpable discharge or termination primarily deals with the conduct of an employee over which he or she has no control, such as sickness which results in absenteeism from work, disability of too long a duration which may include alcohol or drug-related illnesses. The issue of non-culpable behaviour is subject to a form of punitive measure and usually is resolved in favour of the employer if the individual is unable to prove he or she can live up to his or her employer's expectations and continue to work on a regular basis.

The tests that are used in jurisprudence and in the whole industrial relations process in this country are not going to be in place under the UI act. In fact workers will not have the jurisprudence that is provided under industrial relations for proving his or her case under the Unemployment Insurance Act.

These amendments wipe out any existing jurisprudence that might have been used in the past to determine just cause, to provide a worker with some kind of jurisprudence to rely on, to build his or her argument. In fact these three amendments are worse than they were under the bill which is being superseded and was withdrawn from the House.

There was reference by the hon. member to the 40 reasons for quitting that were put forward by the Prime Minister. Those 40 reasons to quit without jurisprudence are no longer as straightforward as they first appeared to be. In fact I would suggest that if the backbenchers from Quebec who were taking umbrage with this bill are mollified by these amendments then they are being taken for a ride. Quite frankly these amendments are worse than what the government put forward in the first place.

My colleague, the New Democrat critic on unemployment insurance raised the question with the government about statistics. He said that we needed some kind of proof. Could the government not provide us with some

kind of proof or evidence about the statistics that are being so carelessly thrown around here?

• (1815)

No, there has been no proof provided. The hon. member has been told to put a question on the Order Paper. With 45 days to answer, this bill will be locked in a dusty vault somewhere having been passed by the other place by the time anyone tries to answer the hon. member's question.

I would suggest that there are half a million people affected. There are 250,000 who will be penalized for quitting, approximately 38,000 who will be fired and penalized; and 100,000 to 200,000—nobody is sure—who have been or will be quit and not penalized. No one knows why or how many, who has or has not qualified, who will or will not qualify. I ask everyone to think about that.

If the Department of Supply and Services had a $2 billion expenditure for which it could not provide vouchers, I would suggest that the Auditor General would be called in immediately to undertake an investigation of the spending of $2 billion without verification. However, we have 500,000 people who draw unemployment insurance with an average benefit of maybe $250 a week times 26 weeks. That is $6,500 per person times 500,000 people. That is $3.2 billion in benefits and we do not know the reasons those people have been qualified or disqualified.

For example, suppose we placed an order for Bell helicopters that cost $4 billion. That is causing no end of controversy right now in this very House. If we did not provide vouchers for that but just spent the $4 billion, the Auditor General might have something to say about it.

The Prime Minister says there are 40 reasons to be disqualified. The government cannot produce one figure to explain that much less give us justification, having verified it with figures, why we need this policy shift.

Instead of bringing in these amendments the government should be going to the Auditor General and demanding an internal investigation if nobody can provide figures for $3.2 billion worth of expenditures.

My colleagues have said very adequately what needs to be said with regard to unemployment insurance. I wanted to add that part.

In the time remaining to me I want to zero in on another part of Bill C-113 and that is the amendments to the Public Sector Compensation Act.

This part of the bill freezes the wages of federal public sector workers for two years. It also extends existing collective agreements for a period of two years. The effect is to push public sector workers even further behind their counterparts in the private sector. Most important, it relieves the government of any responsibility to negotiate with its employees for another two years.

The bill once again demonstrates total contempt for the collective bargaining process in this country. It flies in the face of a decision of the International Labour Organization only last November. It is one of 90 decisions that have been found against Canadian governments for failure to protect the collective bargaining process for its workers.

The committee of the ILO urged the government to revert "to the normal system of free collective bargaining established by the Public Service Staff Relations Act and in particular, to a truly independent arbitration system". However, following that decision this government is introducing yet another piece of legislation that freezes wages with no consideration for the free collective bargaining process. It is absolutely critical that this government begin to bargain and not to abandon bargaining once again for public sector workers.

In addition, how about the record of the government on pay equity? It is still fighting pay equity in the courts and in front of the Canadian Human Rights Tribunal after failing to pay up when found to be in contravention of the Canadian Human Rights Act.

• (1820)

I think it is deplorable. I think my colleagues will join me in saying that at the same time as this government is wiping out free collective bargaining for public sector workers, managers in the public sector are busy figuring out how to get a pay increase by reclassifying themselves.

It is time this government talked about, acted and proved itself to be fair not only to the people who work for the federal government but also the people who work for Canada in all occupations across this country who are victims of double-digit unemployment.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I know time is passing quickly and I am the fourth speaker this evening. But with the motion presented today, I would not have the right to speak on behalf of the people of Abitibi.

My comment and my question are further to the tabling of Bill C-113. In the news release of February 17, 1993, Mr. Dufour of the Conseil du patronat du Québec said that although he is not fully satisfied with Bill C-113, three points should be considered. The legislation should be reviewed if some of the problems anticipated by business and labour occur. Everything should be done so the details needed to handle cases submitted by workers are reduced to the minimum. The whole administration of the unemployment insurance program should concentrate on finding cheaters and not those who are victims of ups and downs in the labour market.

We know that in Quebec now there are 1,853 cases before the umpires. As of February 8, 2,300 cases had been submitted to boards of referees. We know the umpires go to Abitibi every 18 or 24 months. In the hon. member's riding, how many years does it take for workers to obtain justice in cases heard by the board of referees or umpires?

[*English*]

Ms. Langan: Mr. Speaker, my hon. colleague behind me said a heck of a long time. My riding of Mission—Coquitlam is the shake and shingle capital of Canada. It is a softwood lumber community. It is a community that has been totally decimated in terms of that industry as a result of the Canada-U.S. Free Trade Agreement. It has taken over two years for some people to be able to appear before the board of referees and get results.

I am delighted with the question because it illustrates how hard hit and how badly hurt workers in Canada are going to be as a result of this bill. How will they feed their families? How will they survive when there is a downturn in the forest industry, where we are facing the softwood tariff in my community and there is huge double-digit unemployment?

The other important point emanating from the hon. member's question concerns the employers' organization in Quebec. I want to ask him where is the comment from the workers' organizations in Quebec? What about the QFL and the CNTU? What are they saying? How long are people suffering? How long are they having to wait? Then if they have to appeal, how long is it going to take to get through that appeal process? It already takes two years and now we are going to have another 250,000 to 500,000 workers appealing in the process. Where will they go? We will have backlogs longer than any refugee backlog in this country. In the meantime, those people will not be able to feed their families.

This government needs to come in with a full employment policy, not an unemployment policy that penalizes people who have worked to make this country work.

Mr. George S. Baker (Gander—Grand Falls): Just a short question, Mr. Speaker. I am interested in the point the hon. member made at the beginning of her address. I want her to verify whether or not the interpretation I am taking from this is correct.

She mentioned that the government members were citing 40, 50 or hundreds of legitimate just causes for thousands of cases. If I understand the member correctly, what she has said is that since just cause has been defined under the legislation of the Unemployment Insurance Act, all of the jurisprudence the government members were quoting from and the number of cases goes completely out the window since just cause was defined under the act. That is because prior to that the interpretations were given by the court and the board as to what a reasonable person would have done under similar circumstances. There were numerous cases.

• (1825)

Now all of that goes out the window. As the hon. member is also suggesting, the definition is now so restrictive that perhaps it will be even more difficult to prove just cause than it was in the past. Certainly the government and the Prime Minister have made a terrible error in citing the numbers of cases.

Ms. Langan: Mr. Speaker, I want to thank the hon. member for his question because he is absolutely right in putting his question about the jurisprudence being gone.

The jurisprudence was based on former interpretations and definitions. Now we have new definitions and new interpretations. Not only do the UI bureaucrats and workers have to deal with new jurisprudence, but the poor person who is trying to put forward his or her case has nothing to rely on. It is brand new ground and it is all going to leave workers the victims because they do not have the means.

Unionized workers may be better off, but so many workers who are not unionized are going to be totally on their own in this.

Mr. Samson: Hung out to dry.

Ms. Langan: They will be hung out to dry, as my colleague says, by this government. It is shocking and deplorable. Quite frankly, I hope that some of the government members have to join the UI line in the near future and test out their Bill C-113.

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, the matter before the House this evening is Bill C-113. What is this bill about exactly? It deals with three things. One part deals with the Public Sector Compensation Act, another with the transportation subsidies and a third with the Unemployment Insurance Act.

As far as the first two are concerned, I have no qualms as a member of Parliament to vote for such budgetary measures. As to the Unemployment Insurance Act, however, I have major problems that I would like to explain if I may.

In the past few weeks I have been lobbying both my party and the government to try to change Bill C-105, which was the bill to be voted on at the time.

What was in that bill that was a problem for me? In to take back certain amounts of money, this government was proposing that the benefits paid under the Unemployment Insurance Act for the next two years would amount to 57 per cent of the earnings instead of 60 per cent.

This government was proposing that employees who leave their jobs without just cause would not be entitled to UI benefits. In these two respects I have tried to change the way we would set about achieving these objectives.

I want to make myself clear. I have no problem with government wanting to limit abuse within the system. Not only do I not have a problem with that, I am actually all for it. But I do have major problems with the means to achieve this end.

Here is what we have suggested to several government members in an attempt to make this legislation more acceptable and more humane. We suggested, among other things, that people whose earnings were above average for the purpose of UI get only 57 per cent of their earnings in benefits, but those whose earnings were below average be allowed to receive the full 60 per cent in UI benefits because they are the ones who are affected the most. It will be argued that this is not a lot of money, but every little bit helps when you do not earn much.

As I told the Minister of Employment and Immigration, let us not forget that 500,000 people voluntarily left their jobs last year. Of that number, 275,000 qualified under the legislation because they met the five basic criteria. But 225,000 others did not meet those criteria and were penalized. The penalty was the loss of 7 to 12 weeks of UI benefits on top of the two-week waiting period. I think we should all realize that people do not quit their jobs without just cause, just for fun, when they are facing a penalty of 7 to 12 weeks without pay. This is a major decision. It is an important event and that kind of decision is not made lightly. Our government proposes to limit abuse by denying benefits to people who quit their jobs without just cause.

• (1830)

The basic premise of the Minister of Employment and Immigration is that these people are abusers. If I were convinced of this, I would have no hesitation in voting for this bill. To make sure my perception, interpretation and judgment were not mistaken, I checked in my community I called people who work in the field, our officers in the employment centres and their supervisors, in Dolbeau, Roberval, Alma, Chicoutimi and Jonquière.

I called these people in our employment centres and I asked the officers: Did the people who were given a penalty of between 7 and 12 weeks last year, and I am referring to people who did not meet their criteria abuse the system? Did they just want to put their feet up on the stove and let the government support them? Did they do it just because they felt like going hunting or fishing? Did they say: "It is no big deal, I quit my job and I only have a penalty of 7 to 12 weeks, which is not as bad as all that". Or were they people who had other reasons, what we refer to as extenuating circumstances?

They all answered: "No, Mr. Blackburn, they are not abusers. Only a tiny minority are abusers. These are people who quit their jobs and did not meet the five basic criteria, but there were extenuating circumstances, which is why we applied penalties of between 7 and 12 weeks". They also said that they very seldom imposed a penalty of 12 weeks, which is done only in really questionable cases.

Mr. Speaker, you will understand that under the circumstances I am caught between the party line and my constituents in Jonquière with my own knowledge of this legislation, especially since I travelled across Canada when we introduced unemployment insurance reform with Bill C-21.

Our colleague, the Minister of Employment and Immigration, has tried to improve things. There are a number of improvements in the bill, including provisions on sexual harassment, such as the fact that these cases will be dealt with *in camera.* The provision dealing with massive lay-offs which ensure these people can receive unemployment insurance is also a very good measure.

I asked the minister whether we could include "other reasonable circumstances" in the bill, to cover people who do not meet the criteria. The minister responded by adding eight more items that were already covered under UI case law. So I went to my officers in the employment centres and I asked whether adding eight items meant that these people would not be considered as having quit voluntarily, and there would be no penalty. They told me: "Mr. Blackburn, that was already the case. When making a decision, we would consider the five criteria and case law as well. The minister is merely clarifying the legislation". That is fine. I am all for clarification. Unfortunately, it still means that last year's 225,000 still do not meet the criteria according to what I was told by officers in the employment centres in the region.

This evening there will be a vote on this bill and I want to say to the Prime Minister, who announced today that he was stepping down, that I have the greatest respect for him. I have the greatest respect for my government but I cannot vote for this bill this evening.

In truth, I cannot ignore what I know. However, I did say to the hon. minister: "If you really want to catch the cheaters, you could always increase the penalties. I am ready to approve an increase from 9 to 12 weeks. If someone is caught a second time, you will know you are dealing with a cheater and then you can cut off his UI benefits".

I put forward a series of measures to improve the act. I did what I could, but I respect my colleagues who do not share my views. I have no problem with that. However, in turn, I would ask my colleagues to accept the fact that I disagree with them because of what I know.

Mr. Speaker, if I may just add that on Monday I told my Whip: "If my government is in a spot because of my vote, I am ready to make the ultimate sacrifice". I did so to show how honest and professional I could be toward my government. However, tonight I have no reason to believe the government is threatened in any way so I will vote according to my beliefs and those of my constituents from Jonquière.

• (1835)

[*English*]

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I want to congratulate the hon. member for his excellent address to the Chamber and assure him that he is absolutely correct in his interpretation of the law as far as the Unemployment Insurance Act is concerned. I will also point out to him that while investigating the ramifications of this legislation, I came across some cases from his riding of people who were refused unemployment insurance benefits within the past year. They were judged not to have just cause.

I just want to point out to the hon. member in congratulating him for his decision that most of the judges who have listened to some of the cases of his constituents agree with his assessment. In the most recent one that I have from his riding, the judge said in closing: "While I have the utmost sympathy for the claimant and respect for the undoubted sincerity of her

religious convictions, I am nonetheless obliged to dismiss her appeal".

This involved a lady who had worked in the hon. member's riding and who had encountered difficulty with her employment because she did not want to work on her religious holiday. She did not want to continually work on Sunday. She quit. The judge said: "I agree. However, you have seven weeks of disqualification".

As the hon. member just pointed out, under the criteria this is not just cause. The hon. member knows that under this legislation all of those people will, of course, get no unemployment insurance at all because their reason for quitting although as the judge pointed out is justified, does not meet the restricted criteria under the legislation.

I want to congratulate the hon. member and ask him if he has anything further to add.

* * *

INCOME TAX ACT

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-92

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Mr. Speaker, on a point of order.

I would just like to advise the House that an agreement could not be reached under the provisions of Standing Order 78(1) or (2) with respect to second reading of Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and other certain related acts.

Under the provision of Standing Order 78(3), I give notice of our intention to move a time allocation motion at the next sitting of the House for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at second reading stage.

[*Translation*]

GOVERNMENT EXPENDITURES RESTRAINT ACT, 1993 NO. 2

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-113, an Act to provide for government expenditure restraint, be now read the second time and referred to a legislative committee in the Human Resources envelope; and the amendement of Mr. Bevilacqua (p. 16117).

Mr. Blackburn (Jonquière): Mr. Speaker, in response to my colleague's comments, I would tell him that in practical terms when someone does not meet the criteria set out in the Act, it is evident that he or she cannot receive UI benefits.

• (1840)

There is also the issue of interpretation by the officers and the people who will go to arbitration. That is why I was looking for a middle of the road solution, a way to avoid penalizing people by giving no benefits at all, because it could happen that some people are above the welfare level. What will they do then? What will they live on?

I think after this legislation has been voted on it will be up to members from both sides of this House, to look at how it is administered and when we find a problem, be open and generous enough to make the necessary corrections if indeed it turns out to be a little too harsh.

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I am speaking tonight on behalf of the men and women of Abitibi who I have represented in this House since 1984.

I had the opportunity to discuss Bill C-105 with my constituents during the Christmas holiday. I had the opportunity to talk with employers, nurses and other workers. I toured my riding of Abitibi in January and visited its largest towns as well as its rural areas. I learned that Bill C-105 would be very hard for workers, especially those quitting voluntarily in remote areas.

The reduction of benefits from 60 to 57 per cent is also very hard on workers. One has to realize that a worker in the North who has a gross of $500 a week will get only 57 per cent of his pay after April 4. This is a $15 cut. We

were told today that reducing the benefits from 60 to 57 per cent is only a 3 per cent cut, but this is not true. If the calculations are made it will be found that a cut of $15 dollars on $285 is a cut of 5 per cent. For a bread winner with a wife and four children, a loss of $60 a month is not negligible.

Today I am fighting. I am not in revolt against my government; I am fighting for the workers of Abitibi, the men and women of my riding. Three cheers for the 40 just causes that were added in bill C–113. However, everyone knows these causes have been accepted for the last 8 to 10 years in the employment centres of Abitibi; these are not new.

I am happy that the Minister for Employment and Immigration added those to the eight others. I agree entirely, but I talked to people about this Bill C–113. I went back home to Abitibi and consulted them on Friday, Saturday and Sunday before coming back to Ottawa. I wish to say to those people at home today listening to me, to the miners and workers, to the people at James Bay, that when I vote against that bill this evening. I will not be voting against the government, but rather for the people back home, for the working men and women.

When you read paragraph 18(n), "such other reasonable circumstances as are prescribed", you know the door is opened for any amendment to the Unemployment Insurance Act, any day, any time. I am not rebelling against my government.

Do you know that if tonight I were to decide to quit after the vote as of April 4, I would not be entitled to unemployment insurance? And do you know why? Insubordination to the Department of Employment and Immigration. I would not be entitled to benefits.

We are in this House to defend our people. We are here to find solutions with the other parties as well as with my Conservative colleagues. I am a supporter of the Prime Minister. But today I am not rebelling. I am only trying to find a solution as I indicated on January 22 in a letter to the hon. Minister of Employment and Immigration. I said: "I urge you to amend Bill C–105, now C–113, to make changes by simply abolishing clauses regarding eligibility". I was asking him to forgo the proposed reduction from 60 to 57 per cent of the unemployment insurance rates.

People have to be consulted, workers have to be consulted.

Do not forget that this bill will attack low–income earners, those who earn less than $6.75 an hour and those who work in the big areas.

I am sorry but I cannot vote for a bill such as this. I have many friends in the government, in the party in office—

An hon. member: You will have less.

Mr. Saint–Julien: Maybe I will have less, as my colleague is saying here tonight. Maybe I will have less tonight. But when I go back to my riding, my hon. friend, I will be less stupid than some members in this House. I will go back home with pride because I am defending the workers of Canada. I am not ashamed to be a Conservative member of Parliament.

[*English*]

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

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Mr. Speaker: Nay.

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

And more than five members having risen:

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

The House divided on the amendment, which was negatived on the following division

(Division No. 423)

YEAS

Members

Allmand	Althouse
Axworthy (Saskatoon—Clark's Crossing)	Baker
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Blaikie	Bouchard (Lac-Saint-Jean)
Boudria	Brewin
Butland	Catterall
Chrétien	Clancy
Copps	de Jong
Dingwall	Duceppe
Duhamel	Edmonston
Ferguson	Finestone
Flis	Foster
Funk	Gaffney
Gagliano	Gardiner
Gauthier	Gérin
Gray (Windsor West)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Heap
Hovdebo	Hunter
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald (Dartmouth)
MacLaren	MacLellan
MacWilliam	Manley
Marchi	Marleau
McCurdy	McGuire
McLaughlin	Mifflin
Milliken	Nault
Nystrom	Ouellet
Parker	Peterson
Phinney	Pickard
Plamondon	Proud
Prud'homme	Rideout
Riis	Robinson
Rocheleau	Samson
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Tobin
Vanclief	Waddell
Walker	Young (Acadie—Bathurst)
Young (Beaches—Woodbine)—89	

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blais	Blenkarn
Bosley	Bouchard (Roberval)
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Clark (Yellowhead)	Clark (Brandon—Souris)
Clifford	Cole
Collins	Cooper
Corbeil	Corbett
Côté	Couture
Crosbie (St. John's West)	Crosby (Halifax West)
Danis	DeBlois
de Cotret	Della Noce
Desjardins	Dick
Domm	Dorin
Duplessis	Edwards
Epp	Feltham
Ferland	Fontaine
Fretz	Friesen
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Grey (Beaver River)
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hockin
Hogue	Holtmann
Horner	Horning
Hudon	Hughes
Jacques	James
Jelinek	Johnson
Joncas	Jourdenais
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming—French River)
MacKay	Malone
Marin	Martin (Lincoln)
Masse	Mayer
Mazankowski	McCreath
McDermid	McKnight
McLean	Merrithew
Monteith	Moore
Mulroney	Nicholson
Oberle	O'Kurley
Paproski	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
Schneider	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	Weiner
Wenman	White
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—145	

PAIRED—MEMBERS

nil/aucun

• (1915)

Madam Deputy Speaker: I declare the amendment lost. The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Madam Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Deputy Speaker: Call in the members.

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

(*Division No. 424*)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blais
Bosley
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Yellowhead)
Clifford
Collins
Corbeil
Côté
Crosbie (St. John's West)
Danis
de Cotret
Desjardins
Domm
Duplessis
Epp
Ferland
Fretz
Gibeau
Greene
Guilbault
Halliday
Hawkes
Hogue
Horner
Hudon
Jacques
Jelinek
Joncas
Kempling
Landry
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McDermid
McLean
Monteith
Mulroney
Oberle
Paproski
Pronovost
Reid
Andre
Attewell
Belsher
Bertrand
Bjornson
Blenkarn
Bouchard (Roberval)
Brightwell
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Cole
Cooper
Corbett
Couture
Crosby (Halifax West)
DeBlois
Della Noce
Dick
Dorin
Edwards
Feltham
Fontaine
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hockin
Holtmann
Horning
Hughes
James
Johnson
Jourdenais
Koury
Langlois
Layton
Littlechild
Lopez
MacDougall (Timiskaming—French River)
Malone
Martin (Lincoln)
Mayer
McCreath
McKnight
Merrithew
Moore
Nicholson
O'Kurley
Porter
Redway
Reimer
Ricard
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wenman
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—145
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
White
Winegard

NAYS

Members

Allmand
Axworthy (Saskatoon—Clark's Crossing)
Bellemare
Bevilacqua
Blackburn (Brant)
Blaikie
Boudria
Butland
Chrétien
Copps
Dingwall
Duhamel
Ferguson
Flis
Funk
Gagliano
Gauthier
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hovdebo
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLaren
MacWilliam
Marchi
McCurdy
McLaughlin
Milliken
Nystrom
Parker
Phinney
Plamondon
Prud'homme
Riis
Rocheleau
Samson
Skelly (Comox—Alberni)
Stewart
Tobin
Waddell
Young (Acadie—Bathurst)
Althouse
Bélair
Benjamin
Black
Blackburn (Jonquière)
Bouchard (Lac-Saint-Jean)
Brewin
Catterall
Clancy
de Jong
Duceppe
Edmonston
Finestone
Foster
Gaffney
Gardiner
Gérin
Guarnieri
Harvard
Heap
Hunter
Keyes
Kilgour (Edmonton Southeast)
Langdon (Essex—Windsor)
Lee
MacDonald (Dartmouth)
MacLellan
Manley
Marleau
McGuire
Mifflin
Nault
Ouellet
Peterson
Pickard
Proud
Rideout
Robinson
Saint-Julien
Skelly (North Island—Powell River)
Speller
Stupich
Vanclief
Walker
Young (Beaches—Woodbine)—90

PAIRED—MEMBERS

nil/aucun

Madam Deputy Speaker: I declare the motion carried. Accordingly this bill stands referred to a legislative committee in the Human Resources envelope.

Bill read the second time and referred to a legislative committee in the Human Resources envelope.

Mr. Fee: On a point of order, Madam Speaker. I would just like to indicate to you and to the House that I was present for the votes on the amendment and on the bill. I chose to abstain because I have been given the honour of chairing the legislative committee.

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

PRIVATE MEMBERS' BUSINESS

• (1930)

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Mrs. Beryl Gaffney (Nepean) moved that Bill C-277, an act to amend the Income tax Act (air conditioners) be read the second time and referred to a legislative committee in the Economics envelope.

She said: Madam Speaker, I am very pleased that the House is addressing Bill C-277 which is an act to amend the Income Tax Act (air conditioners). This bill, which I first introduced in 1990, would allow an income tax deduction for the cost of an air conditioner when it is needed for health reasons and health reasons only.

Before I get into discussing the actual mechanics of this bill and talking about the thousands of Canadians suffering from debilitating diseases who would benefit from this legislation, I want to take some time to talk about justice versus arbitrariness.

It is traditional that government activities must be guided by justice, but what is justice? In his book entitled *Theory of Equitable Taxation* Johann K. Brunner wrote:

> The first and minimal requisite of justice is that nobody is treated arbitrarily, at the momentary discretion of the authority, but in accordance with the pre-existing rule. Concerning equitable taxation, this means that the tax payment of every individual must be derived from a general tax scheme, based on identifiable attributes.
>
> The establishment of an equitable tax rule can be seen as a special case of a very general task, namely how to make a social decision out of a given set of alternatives, where this decision should be based on the preferences of the concerned individuals.

Most Canadians would no doubt agree that the present Conservative government has been anything but fair, equitable and just in its tax scheme over the last four years.

The inaugural issue of *Canadian Business Economics* states that "middle income families, particularly those with children, have borne the brunt of the tax increase since 1984". The report goes on to state that "these results suggest that some deterioration in the equity of the tax system under the Conservatives".

The legislation we are discussing this evening is attempting to bring some justice to a segment of the Canadian population, mainly those with multiple sclerosis. Some 50,000 Canadians are affected by multiple sclerosis. MS is a chronic disabling disease of the central nervous system and affects people in numerous ways, both in terms of its severity and in the course of the disease.

One of the few things that all persons with MS have in common is that exposure to high summer temperatures with its accompanying humidity greatly exacerbates the symptoms of the disease and causes deep fatigue.

Persons who are normally only mildly affected by MS are reduced to walking short distances with difficulty. Those who normally walk with a cane are reduced to using a wheelchair and those who normally use a wheelchair are confined to a bed or sofa.

At this time I would like to read from a letter written to all members of Parliament by the Multiple Sclerosis Society of Canada. I would like to quote this letter almost verbatim:

"Upon the advice of their physicians, many people with multiple sclerosis have purchased air conditioning units which allow them to cool their homes and function much more independently. Those who cannot afford an air conditioner are at risk of being forced to go into an air conditioned institution at great expense to the tax-paying public. It seems logical to people with multiple

sclerosis and to the Multiple Sclerosis Society of Canada that the expense of purchasing and installing an air conditioner should be allowed as a medical expense for income tax purposes. Being in an air conditioned environment allows people who have MS to carry on their daily activities and, indeed, can be said to 'assist a crippled person in walking' as stated in regulation 5700(i) of the Income Tax Act.

The MS Society of Canada has asked the Minister of Finance to consider changing the Income Tax Act to allow air conditioning for people with MS as a medical expense. He has responded saying that for a device to qualify as a medical expense, the device must be designed primarily for the medical condition and be used exclusively by a person who has that condition".

• (1935)

"This seems to us rather arbitrary". Remember when I say us, I am still reading from the letter of the MS Society. "Why should the origin of a device have any bearing on its use by a person with a disability? If a simple, readily available device, such as an air conditioner, can help persons with MS retain their mobility, then it seems logical that the device should qualify as a medical expense for income tax purposes if prescribed by a physician".

The MS Society of Canada goes on to say: "The concern that the device be used exclusively by the person with MS is met by the provisions in Ms. Gaffney's bill which reduces by half the amount available as a medical expense if there are others in the household who do not have MS".

It goes on to say: "The goal of people who are disabled from whatever cause is to live as independently and as productively as possible. At relatively little cost and in an administratively efficient manner, the lives of people could be greatly enhanced if this bill is approved. On behalf of the Multiple Sclerosis Society of Canada we would ask that you review Ms. Gaffney's proposed bill and give it your support".

We, as legislators in this House, each have a moral responsibility to take steps to ensure that discrimination of any kind is not allowed to exist in our laws. By arbitrarily determining for example that an air conditioner which can help people with MS retain their mobility should not qualify as a medical expense, then I believe we in this House and this government are being most unfair.

Justice should be allowed for all. In this regard those with MS should be allowed to claim an air conditioner as a medical expense. I believe this is the only equitable, fair and just way of proceeding on this matter.

In closing off my comments, the unfortunate part of Bill C-277, is that it was not deemed by the committee to be a votable item. Anyone who wishes to speak to this bill may speak to it, but unfortunately it is not a votable item.

I beg and pray upon this government to recognize this bill as a very important aspect in the life of a person who suffers from MS. I would ask all members of Parliament to please consider the importance of this bill.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I welcome this opportunity to debate Bill C-277. This bill seeks to amend the Income Tax Act to allow expenses for air conditioners to be eligible for the medical expense tax credit.

The philosophy that has led the hon. member opposite to put forward this bill is a laudable one: to help Canadians with disabilities. While this philosophy of caring is one that we all share, indeed many people consider it a defining aspect of our national identity, the measures we take to give this philosophy effect must be carefully thought out and must pass an important test.

The test is as follows: Is the measure proposed the best way to achieve the goal in mind or do other measures, and in particular other existing measures do a better job? Unfortunately, Bill C-277 fails the test.

There are already two measures in the Income Tax Act that provide support to Canadians with disabilities. One is the medical expenses tax credit. The other is the disability tax credit. The proposed measure before us today would not improve on both of these measures.

Let me first turn to the medical expense tax credit. This tax credit is intended to recognize the effect of above average medical expenses on the ability of an individual to pay tax. Tax relief is provided through a tax credit for extraordinary medical expenses in excess of a certain percentage of net income. For 1992, this tax

credit is available for qualified expenses in excess of $1,614 or 3 per cent of net income, whichever is less.

• (1940)

Preliminary taxation statistics for 1991 indicate that the medical expense tax credit provided tax benefits to more than 910,000 tax filers. The cost to the federal government for providing this tax relief came to about $200 million in that year.

Let me briefly deal with the criteria that determine which expenses are eligible for consideration under the medical expense tax credit. To qualify as an eligible expense for the medical expense tax credit a service or device must provide health benefits and be for the exclusive use of a person with a disability.

For example, expenses for devices or equipment that are designed exclusively for use by individuals suffering from a severe chronic respiratory ailment are eligible expenses for the medical expense tax credit. However, items that provide benefits to people with disabilities but also provide benefits to people who are not disabled are not eligible for the medical expense tax credit. Allowing such an item to qualify would effectively extend tax benefits to those who are not disabled. For this reason, items such as air conditioners, humidifiers, dehumidifiers, heat pumps or heat or air exchangers do not qualify as medical expenses.

Let me also point out that air conditioners are primarily consumer comfort items and are not normally considered medical devices. This is obvious to anyone who has spent a summer in a muggy climate, whether here in Ottawa or back in Cambridge in central Canada. The general consumer benefits of air conditioners are reflected in their widespread use. Air conditioners can be found in some 2.6 million homes, or 25 per cent of Canadian households.

Even when an air conditioner must be purchased primarily to improve the health of a disabled person it nevertheless provides benefits to other household members who are not disabled. In this regard one should keep in mind that almost half of all households with air conditioners consist of three or four persons.

There are some other practical difficulties with the measures proposed in Bill C–277. Air conditioners, especially central air conditioners, increase the resale value of a home. Consequently, the purchase price of an air conditioner will overstate the cost of its services to the purchaser. This situation is in contrast to other home modifications, such as alterations to make a home wheelchair accessible because these items provide benefits only to persons with disabilities.

Moreover, air conditioners have general resale value and as a result can be resold to individuals without disabilities, effectively passing on the tax benefit.

We should think twice before amending the income tax system in a way that might be seen to encourage the abuse of measures that seek to target benefits to those with real needs, real medical hardships or disabilities. Allowing air conditioners to qualify as a medical expense might also increase pressure on physicians to certify that the purchase of an air conditioner is necessary for medical reasons in situations that are less than clear–cut. This would make it very difficult to control costs and ensure that the measure is applied fairly.

These observations on the operation of the medical expense tax credit and the problems of extending this credit to cover air conditioners lead to only one conclusion. We cannot support this bill as it currently stands before us.

The Income Tax Act also provides a second form of support for people with severe disabilities, a disability tax credit. For severely disabled individuals the disability tax credit recognizes the cost of items that are not eligible for the medical expense tax credit. In 1992 this tax credit will reduce federal tax by $720 and the combined federal and provincial tax by $1,120. The disability tax credit originated in the special deduction for blind persons that was introduced in 1944. Five years later the deduction was extended to people who were confined to a bed or wheelchair.

In 1986 this government increased the deduction by $250 and broadened it to include all those with a severe and prolonged mental or physical impairment. In 1988, as a result of tax reform the disability deduction was replaced by the disability tax credit and further enriched. In 1991, the credit was again increased, this time by an additional $125. Preliminary tax statistics for 1991 indicate that the disability tax credit provided tax benefits to

more than 450,000 tax filers at a cost of more than $195 million to the federal government.

• (1945)

In conclusion, at the start of my remarks I set out a test that a proposed measure must pass in order to gain support in this House. In considering Bill C-277, I have tried to apply that test with the special consideration of the existing measures in the Income Tax Act that aim to assist Canadians with disabilities or serious permanent illness.

Unfortunately, Bill C-277 fails that test. Consequently I find it difficult to support this proposal and I would urge other members of this House to vote against this bill.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I am pleased to rise tonight to speak to this bill which the New Democratic Party and I support.

We have a growing concern in this country about escalating health care costs. This bill is designed to make it possible for people to remain within their own homes. We have a tendency to take too legalistic an interpretation of things within the tax legislation when it deals with ordinary Canadians. We find legalistic loopholes to allow big multinational corporations to write off all sorts of things within the tax system.

The reason the government does not want to allow air conditioning devices to be considered a tax expense is it says the definition that is now used indicates the device must be exclusively defined for a medical purpose. If it has any other kind of purpose, it is not acceptable. That is far too narrow a definition to meet the needs of ordinary Canadians who have multiple sclerosis.

British Columbia has just taken a major look at health care reform. The total thrust of its total health care reform package is called "Closer to Home". It allows people with health care conditions to receive service within their own home.

This bill, by allowing people to have a tax break for air conditioners, could in fact make it possible for a person to reside in his or her own home at a fraction of the health care cost of going into an intermediate care or long-term care institution.

The Multiple Sclerosis Society sets it out very clearly in its letter. It says: "Being in an air conditioned environment allows people who have MS to carry on with their daily activities". Indeed, it can be said to assist crippled persons in walking.

What we have is a very simple, very logical and very humane proposal that says when a person has a chronic illness and there is a device that will improve his or her medical functioning, he or she should get a tax break for it. I think that is eminently fair, particularly when we start looking at the concept of tax fairness that we have developed in our system.

The government is saying it will not allow the person with MS to have a tax break for an air conditioner but it allowed firms like Montreal Trust to earn $62 million last year and pay no tax. There were all sorts of tax write-offs for it on earnings of $62 million. In addition, it was given a tax credit of $1.4 million.

The person with MS cannot get a tax break for an air conditioner.

• (1950)

Coca-Cola earned $24.5 million, paid zero income tax and got a $1 million tax credit. Mountain Pipeline, that great pipeline company in British Columbia earned $16 million. It paid no tax and got a $100,000 tax credit.

That is this government's idea of tax fairness. We will not give the person with multiple sclerosis a tax break to install an air conditioner that will improve his or her life and possibly keep him or her out of an institution. We will give our tax breaks to our friends, Coca-Cola, Trustco and other big companies.

I feel this is a very fair piece of legislation that is designed to help the ordinary Canadian that is in a difficult spot. I urge the House to support it.

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, as a member of the Standing Committee on Human Rights and the Status of Disabled Persons, I welcome this opportunity to speak on Bill C-277.

As has been pointed out, this bill seeks to amend the Income Tax Act to allow expenses for air conditioners to be eligible expenses for the medical expense tax credit.

In recent years this government has introduced and enriched a number of tax measures for people with disabilities. Since our time is short, I will just speak of a couple of items.

Since 1984, more than 20 items have been added to the list of eligible medical expenses. Over that time the number of tax filers has increased. The medical expense tax credit improves the fairness of the tax system by recognizing the effects of extraordinary medical expenses and the ability of an individual to pay tax.

For 1992, the medical expense tax credit reduces the federal tax of a claimant by 70 per cent of qualifying reimbursed medical expenses.

Any devices or pieces of equipment that are designed exclusively for use by individuals suffering from a severe chronic respiratory ailment already qualify for a medical expense tax credit. However, items such as air conditioners, humidifiers, dehumidifiers, heat pumps and many others may provide non-health benefits and are not intended for the exclusive use of an individual with a disability and are not eligible for the medical expense tax credit.

This is why we have Bill C-277 before us. Since an air conditioner has a general resale value, it can be resold to individuals without disabilities. As a result, allowing air conditioners to qualify may effectively extend tax benefits to those who are not disabled.

Consultation and co-ordination are links in the chain that lead to comprehensive government action. I believe that our government must continue to examine all of the issues surrounding the income, security and personal support for persons with disabilities. We must continue to help alleviate the disadvantages experienced by people with disabilities. We must continue to enhance the independence and employment opportunities of disabled persons, but we must do all of these things in a comprehensive way.

• (1955)

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am really very honoured to rise to speak to this bill that reflects compassion and human kindness in an area of health care that would decrease the cost of health care to our system.

Bill C-277, an act to amend the Income Tax Act for air conditioners for people suffering from multiple sclerosis, is a model as I understand it.

It is of interest to note that the speaker who just preceded me, the hon. member for Wild Rose, was at a committee meeting yesterday accompanied by the chairman of that committee on human rights and the rights of the disabled, who is also sitting in the House at the moment. In the course of the discussion of the recommendations they were going to make to the Minister of National Health and Welfare both of them were looking at this very bill and using it as a model for the nature and kind of concerns that would be presented in their report for improvements and changes to the Income Tax Act.

It is quite true that this government did improve and add to the list of people and cases that could benefit from either the medical expense tax credit or the disability tax measures. There is no arguing that it has shown an improvement. As we know, the cost of medical care in this country is escalating to the point that it has become critical, and I would say the word critical would describe the serious concern.

If we can find measures to help people who are suffering and who because they cannot look after themselves cannot put into their homes the kind of support systems that will keep them in their homes, which gives them a sense of belonging and removes the need to institutionalize these people, to look after their care and their needs, are we not doing something that is much more helpful and far less costly to our society in the long run?

I do not know too much about multiple sclerosis, but I do know one friend who suffered from this disease. I watched the deterioration of a very bright mind and body. She ended up having to live in a hospital setting when it was no longer possible for her family to look after her.

Not everybody has a family and not everyone is in a position to afford what is perceived by many to be a simple luxury but in this case is a necessity. I heard an hon. member talk about people living in air conditioned homes and therefore how it should not be perceived to be a deductible medical expense. I do not know what world he lives in but everybody I know does not live in an air conditioned home.

This is a bill worth supporting. It is a recommendation to the government which I hope it will take into consideration. Mr. Speaker, I would like my colleague to add a few words if you do not mind as the clock does not yet say eight o'clock.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, in support of Bill C–277 I would say that it is a very simple case to make. If we examine the income tax structures of the countries we normally deal with, for example, the United States or Europe we will find not only air conditioning but swimming pools.

I have a list for the United States: Air conditioning, elevators, bedrooms added, swimming pool and sauna. Under the income tax act in the United States the Americans take the value of buying that particular thing and the amount of money that it would add to the value of the house and take the difference, which is approximately 50 per cent of the purchase price. That is what the deduction is.

As long as the condition exists for which it was approved in the beginning by the medical practitioner, the maintenance and operation of that air conditioning or swimming pool is deductible on the income tax returns in the United States of America. What better reason, as the member for Nepean has pointed out. Look at the other countries in this world that have similar systems to our income tax system and ask the question as to why we do not do what they do for people who are in need.

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

It being eight o'clock p.m., the House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 8 p.m.

HOUSE OF COMMONS

Thursday, February 25, 1993

The House met at 10 a.m.

Prayers

[*English*]

TRADE

TABLING OF NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, pursuant to Standing Order 32(2), I have the pleasure to table, in both official languages, the North American free trade agreement entered into by the Governments of Canada, the United States and the United Mexican States. This includes the implementing legislation as well as the tariff schedules.

* * *

[*Translation*]

MAIN ESTIMATES, 1993–94

A message from His Excellency the Governor General transmitting the Main Estimates for the fiscal year ending March 31, 1994 was presented by the Hon. Gilles Loiselle (President of the Treasury Board and Minister of State for Finance) and read by Mr. Speaker to the House.

• (1010)

[*English*]

REFERENCE TO STANDING COMMITTEES

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to table in support of the Estimates Part I, the government expenditure plan. In addition, I will table with the Clerk of the House on behalf of my colleagues Part III of the Estimates consisting of 83 departmental expenditure plans.

These documents will be distributed to members of the standing committees to assist in their consideration of the spending authorities sought in Part II of the estimates.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, on a point of order, I seek the guidance of the Chair. Is the Chair going to put the motion to the House as to whether or not the items ought to be referred to the committee? Before we hear the minister, the Official Opposition wishes to divide on this issue.

Mr. Speaker: Perhaps we could defer that decision for just a moment.

The House has heard the suggestion of the minister that the Main Estimates for the fiscal year ending March 31, 1994, laid upon the table February 25, 1993, be referred to the several standing committees of the House.

The House has heard the suggestion of the minister. Is it agreed?

Some hon. members: No.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

Routine Proceedings

(Division No. 425)

YEAS

Members

Althouse	Anderson
Andre	Angus
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Blackburn (Jonquière)
Blais	Blenkarn
Bosley	Bouchard (Roberval)
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Champagne (Champlain)
Charest	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cooper	Corbett
Côté	Danis
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Domm
Dorin	Duplessis
Edwards	Epp
Fee	Feltham
Ferland	Fontaine
Fretz	Friesen
Funk	Gardiner
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Grey (Beaver River)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Harvey (Edmonton East)
Hawkes	Hockin
Holtmann	Horner
Horning	Hudon
Hughes	Hunter
James	Jelinek
Johnson	Jourdenais
Kempling	Koury
Landry	Langdon (Essex—Windsor)
Langlois	Laporte
Larrivée	Layton
Loiselle	Lopez
MacWilliam	Marin
Mayer	Mazankowski
McDermid	Merrithew
Monteith	Moore
Nicholson	Oberle
O'Kurley	Porter
Redway	Reid
Reimer	Ricard
Richardson	Riis
Robitaille	Rodriguez
Roy-Arcelin	Saint-Julien
Samson	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Siddon	Skelly (North Island—Powell River)
Skelly (Comox—Alberni)	Sobeski
Stevenson	Stupich
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van De Walle
Vézina	Vien
Vincent	Weiner
Wilson (Etobicoke Centre)	Winegard—130

NAYS

Members

Bélair	Bellemare
Bevilacqua	Bouchard (Lac-Saint-Jean)
Boudria	Campbell (South West Nova)
Catterall	Clancy
Dingwall	Duceppe
Duhamel	Finestone
Flis	Foster
Gaffney	Gagliano
Gauthier	Gérin
Gray (Windsor West)	Guarnieri
Harvard	Jordan
Keyes	Kilgour (Edmonton Southeast)
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald (Dartmouth)
MacLaren	Manley
Marleau	Mifflin
Milliken	Peterson
Phinney	Plamondon
Proud	Prud'homme
Rompkey	Speller
Tobin	Vanclief
Young (Acadie—Bathurst)—43	

PAIRED—MEMBERS

nil/aucun

• (1055)

[*Translation*]

Madam Deputy Speaker: I declare the motion carried.

[*Editor's Note: The above-mentioned list follows:*]

To the Standing Committee on Aboriginal Affairs

Indian Affairs and Northern Development, Votes 1, 5, 10, 15, L20 and L25

To the Standing Committee on Agriculture

Agriculture, Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Communications and Culture

Communications, Votes 1, 5, 10, 15, L20, L25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100 and 105

Secretary of State, Votes 1 and 5

To the Standing Committee on Multiculturalism and Citizenship

Multiculturalism and Citizenship, Votes 1 and 5

To the Standing Committee on Consumer and Corporate Affairs and Government Operations

Consumer and Corporate Affairs, Votes, 1, 5, 10, 15, 20 and 25

Finance, Vote 50

Governor General, Vote 1

Industry, Science and Technology, Votes 75 and 80

National Health and Welfare, Vote 50

Parliament, Vote 1

Privy Council, Votes 1, 5, 10 and 35

Public Works, Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40

Secretary of State, Vote 10

Supply and Services, Votes 1 and 5

Treasury Board, Votes 1, 5, 10 and 15

To the Standing Committee on Energy, Mines and Resources

Energy, Mines and Resources, Votes 1, 5, 10, L15, 20, 25 and 30

To the Standing Committee on Environment

Environment, Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 1, 5, 10, 15, 20, 25, L30, L35, 40, 45 and 50

Supply and Services, Vote 10

To the Standing Committee on Finance

Finance, Votes 1, 5, L10, L15, L20, L25, 30, 40 and 45

National Revenue, Votes 1, 5, 10, 15 and 20

To the Standing Committee on Forestry and Fisheries

Fisheries and Oceans, Votes 1, 5 and 10

Forestry, Votes 1, 5 and 10

To the Standing Committee on Human Rights and the Status of Disabled Persons

Justice, Vote 10

To the Standing Committee on Justice and Solicitor General

Justice, Votes 1, 5, 15, 20, 25, 30, 35 and 40

Privy Council, Vote 40

Solicitor General, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40 and 45

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 1, 5, 10, 15, 20, 25 and 30

Labour, Votes 1, 5, 10 and 15

To the Standing Committee on House Management

Parliament, Votes 5 and 10

Privy Council, Vote 20

To the Standing Committee on National Defence and Veterans Affairs

National Defence, Votes 1, 5, 10, 15 and 20

Veterans Affairs, Votes 1, 5, 10, 15 and 20

To the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women

National Health and Welfare, Votes 1, 5, 10, 15, 20, 25, 40 and 45

Western Economic Diversification, Votes 10 and 15

To the Standing Committee on Public Accounts

Finance, Vote 35

To the Standing Committee on Industry, Science and Technology, Regional and Northern Development

Atlantic Canada Opportunities Agency, Votes 1, 5 and 10

Communications, Votes 110 and 115

Indian Affairs and Northern Development, Votes 30, 35, 40, 45 and 50

Industry, Science and Technology, Votes 1, 5, L10, L15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65 and 70

National Health and Welfare, Votes 30 and 35

Western Economic Diversification, Votes 1 and 5

To the Standing Committee on Transport

Privy Council, Votes 15 and 30

Transport, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55 and 60

To the Standing Committee on Official Languages

Privy Council, Vote 25.

* * *

[*English*]

HOUSE OF COMMONS

TABLING OF ESTIMATES

Mr. Speaker: I have the honour to lay upon the table the estimates for the House of Commons for the fiscal year ending March 31, 1994.

* * *

• (1100)

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 74 petitions.

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

* * *

FREE TRADE AGREEMENT

TABLING OF ORDER

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I would now like to follow up the question of privilege raised yesterday in the House by the hon. member for Scarborough—Rouge River.

Routine Proceedings

[*English*]

Pursuant to Standing Order 32(1) I wish to table copies, in both official languages, of an order respecting the suspension of privileges granted under the free trade agreement.

[*Translation*]

Madam Deputy Speaker: We are now at Statements by Ministers. The hon. President of the Treasury Board now has the floor.

* * *

1993–94 MAIN ESTIMATES

EXPLANATORY STATEMENT OF PRESIDENT OF THE TREASURY BOARD

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, this is the third time that I have had the privilege of tabling the Main Estimates before this House. Those that I am presenting today for the 1993–94 fiscal year detail the government's spending plans arising from the economic and fiscal statement made by the Minister of Finance before this House on December 2, 1992.

That statement announced certain initiatives to stimulate growth and employment, to rebuild the confidence of Canadians and to help them adjust to the new economic realities. At the same time, it sought to contain the deficit and I believe that we are clearly on target on all these points.

In keeping with our past efforts, the measures announced in the statement sought to stimulate economic growth and improve the standard of living of Canadians. They include a sound monetary and fiscal policy, an adaptation to the globalization of markets, a streamlining and renewal of the public sector, building on the strengths of Canadians and stimulating the spirit of enterprise and initiative in the private sector to sustain our economic progress.

In response to the statement, we are introducing a series of initiatives to invest in growth, invest in people, broaden trade opportunities and enhance competitiveness. For instance, we launched a Small Business Employment and Investment Package, we maintained research and development funds at their present level, despite our financial situation and we reallocated resources to focus on strategic investments for such things as highways, bridges and technology infrastructure and, of course, to optimize the results of those investments.

Along with these commitments, severe spending cuts had to be made to contain the deficit.

The major spending reduction program announced on December 2, 1992 will have an impact on the cost of programs delivered directly by the federal government on transfers to individuals and on grants and contributions to organizations and companies.

As everyone knows, the world economy has proven weaker than expected and the projections of growth for most countries have had to be revised downward.

• (1105)

In most OECD countries, governments have responded by implementing strict spending reductions. This was certainly the case in the United States, the United Kingdom, Italy and Sweden.

In the United Kingdom, for example, the recent announcement of a full-scale program review follows on the heels of the pre-Christmas announcement of major cuts in operating expenditures.

[*English*]

In keeping with the economic and fiscal statement of December 2, federal government operating expenditures including defence spending have had to be cut in relation to the February 1992 budget projections by $1 billion in 1993–94 and by $1.7 billion in 1994–95. Since personnel related spending represents two-thirds of the operating costs of the federal government, we have acted to reduce the total payroll.

As we announced, the wage restraint policy introduced in 1991 will be extended for an additional two years for all sectors of the federal government. This applies to the Prime Minister, cabinet ministers and members of Parliament among others. We are well aware of the heavy sacrifices that we have asked of our employees by freezing their salaries.

The government has also been forced to reduce other elements of departmental and agency operating budgets. As announced in the economic statement of December 2, these budgets will be reduced a further 3 per cent in 1993–94 in addition to the numerous cuts already imposed since 1984–85.

[*Translation*]

Nevertheless, the reductions in the cost of programs delivered directly by the federal government were not going to be enough. Reductions were also necessary in transfer payments. Among other measures, the December statement announced that grants and contributions to most organizations and special interest groups would be cut by an average of 10 per cent from the levels forecast in the February 1992 budget. I am pleased to say that Old Age Security, the Guaranteed Income Supplement, Spouses' Allowances, programs for people with disabilities, War Veterans' Allowances, Veterans' Disability Pensions and major transfer payments to the provinces will not be affected by this reduction. There will be no reduction in the famine relief that Canada provides around the world.

After taking into account the cost of initiatives to stimulate growth, program spending reductions in 1993–94 will result in net savings of some $2.2 billion. These actions will ensure a significant reduction in the structural component of the deficit and will bring the deficit down to $32.6 billion in 1993–94.

[*English*]

Moreover, the 1993–94 main estimates show clearly that spending will be kept within the limits set in the Spending Control Act. Budgetary expenditures will increase by only 1.5 per cent in 1993–94, one of the lowest rates of growth in three decades. In fact, we have significantly reduced this rate of growth.

In 1984, program expenditure represented some 19.5 per cent of our gross domestic product. In 1993–94 it will fall to about 16.8 per cent.

There are indications that the Canadian economy is recovering and a gradual improvement in economic activity is expected throughout the year. Prime interest rates have fallen significantly in the last three months. Canada's inflation rate in 1992 was the lowest among the G–7 countries. Although too many Canadians are still unemployed, the employment situation has been improving almost continuously since last April. In fact, more than 146,000 new jobs have been created since then.

Retail sales have been rising for almost a year and our volume of exports is increasing. The OECD predicts that Canada will experience the highest rate of growth of the G–7 countries over the next two years.

• (1110)

[*Translation*]

Since 1984 we have pursued an ambitious strategy of expenditure management to regain control of our national finances. Our strategy is firmly in place and the results have been positive.

Our first step was to get rid of waste and inefficiency. We then moved to eliminate activities and organizations that no longer served a social purpose and we concentrated on improving the management of the federal government.

The Public Service 2000 initiative launched by the Prime Minister in 1989 has changed the Public Service significantly. The Public Service is increasingly results–oriented and more responsive to the needs of taxpayers.

The budget tabled by the Minister of Finance in February 1992 announced other measures to provide more efficient delivery of services to Canadians.

[*English*]

The introduction of operating budgets in 1993–94 is perhaps the most important example of our new cost–effective way of doing business. Funds for salaries, operations, maintenance and minor capital expenses will be combined into a single operating budget for each federal department or agency. Departments will have greater flexibility in improving their efficiency and adapting their services to the changing needs of their clients.

I will conclude by repeating that our government remains firmly committed to sound management of public finances and to a comprehensive renewal of the federal Public Service. The action plan presented by the Minister of Finance last December supports economic recovery and proposes responsible ways of achieving that goal.

[*Translation*]

The Main Estimates that I am tabling today provide detailed information on how the government plans to spend $160.7 billion in 1993–94, in keeping with the economic and fiscal statement of December 2, 1992. In tabling the Main Estimates, the government is seeking authority from Parliament to spend $48.9 billion. As we know, the remaining expenditures are covered by legislative authorities previously granted by Parliament.

My colleague, the Minister of Finance, intends to table a borrowing authority bill for 1993-94 when the House resumes sitting.

Madam Speaker, I thank you and this House for your attention.

Mr. Douglas Young (Acadie—Bathurst): Madam Speaker, Canadians must have been surprised when the President of the Treasury Board made his presentation this morning, without so much as a single reference to the fact that we need to know how the operations of the Government of Canada will be managed on the revenue side. We have not had a budget since February 1992, and we have now been told that it will be the end of April or some time in May before we know exactly how the government intends to budget for its operations during the coming year.

[*English*]

I wonder how Canadians can be reassured, as the minister suggested they should be, by the approach the government is taking.

The government likes to pride itself on being a good manager. It has talked about responsibility and coming clean with the Canadian people. How many chief executive officers of companies could come before their shareholders and say: "We are going to spend $160 billion, but we are not going to tell you how we are going to budget for that. We are going to show you our expenditure plan but we are not going to deal with the revenue side of the equation".

This entire document is based on the economic and fiscal statement that was delivered in the House by the Minister of Finance in December of last year. This is a document that generally speaking was not very favourably received by Canadians faced with a long recession, the longest we have experienced in this country in terms of depth and duration since the 1930s.

• (1115)

It is going to be a tremendous problem for Canadians from all walks of life to try to plan their year's activities. We will now have a situation where Canadians will have to decide whether the economic policy is the economic policy of the minister of defence, the economic policy of the minister of external trade or the financial policy and the tax policy of the Minister of Communications. As the *Titanic* seeks a new captain, there is going to be a lot of shuffling of the deck chairs as we go through the next three months as the Conservative Party tries to get a grip on where it is going.

The unusual circumstance we are faced with is a government that is going to ask Canadians to take them on faith as it is going to spend $60 billion. Today, the government is able to come to the House with documents from the minister of external trade. There are 4,300 pages I am told in the documents that the minister tabled dealing with the North American free trade agreement between Canada, the United States and Mexico.

The President of the Treasury Board came before the House with some 90 documents such as this dealing with estimates and yet, with all the apparatus of government available to it, both in finance and in national revenue, this government has not seen fit to bring a budget before the people of Canada in the fifth year of its mandate. As it struggles along toward the end of its constitutional capacity to govern this country, it is not prepared to come to the Canadian people, not with statements, but with a full-fledged budget.

I always like to attempt to give credit where credit is due. Over the years the precedent was set that this government brought in a budget at an appropriate time, usually from mid to the end of February. It brought in estimates subsequent to the presentation of the budget so that Canadians as well as parliamentarians could deal in a substantive way with what the government had planned for at least the coming year.

It may be politically expedient because of the change in the leadership of the government to delay a budget, but it is not very satisfactory for Canadians to have to struggle along based on a budget that was put together at least two years ago, at least the beginnings of it were, a budget that was based on projections, conclusions and assumptions that in many respects now are quite a way off base.

I hope that members on both sides of the House will deal with the issues in the estimates as they are referred to committee. Surely the government has a responsibility to review its decision to delay the budget process for another two or three months.

The work that has gone into the preparation of the estimates has certainly put a clear picture before the bureaucrats and the political leaders of what they intend to do with the spending of the Canadian taxpayers' money. What is the purpose of all of this? We understand that in some of the programs, for statutory reasons and others, there is not much flexibility. There have been significant changes made in the moneys allocated to various departments and agencies,, but there is no budget document that provides us with what the government's thinking is with respect to those changes.

We to your left believe that if the government is going to respect its undertaking to be forthright and to deal in a businesslike manner with the finances of this country, we should have a budget, a clear statement as to what the government intends to do because of the uncertainty. Let us call a spade a spade. Over the next three months, as various individuals seeking the leadership of the Conservative Party go before Canadians, I doubt very much that all will be singing from the same hymn book.

Surely there will be a number of people who will want to distance themselves from the former Minister of Finance who I understand might be a candidate. Who would want to deal with the father of the GST without making some comments about where the country has gone as we have accumulated a debt in excess of $400 billion?

As we get these conflicting statements from various leadership hopefuls, it seems to me that it would be responsible for the government to give a clear and coherent statement to the Canadian people as to how it expects to raise the money that is going to be required to fund the expenditures that we have been made privy to today and how it is going to deal with the deficit that it has talked about for eight years and that is still running at $34 billion. It is talk, talk, talk, but no change in what it is costing Canadians in terms of the year to year increase that is the result of this deficit and the cost of financing our accumulated debt.

• (1120)

In closing, I want to reiterate our belief that it is absolutely essential to maintain the integrity of the system and the credibility of the system *vis-à-vis* the Canadian taxpayers that the government bring forth a budget telling us how it wants to deal with the problems facing this country. The government must tell us how it wants to raise the money required to cover these expenditures and how it is going to cover the shortfall between what it can raise and what it plans to spend according to these documents.

We look forward to hearing from members on the government side as to whether they share our view that it might be appropriate to bring a budget before the Canadian people as we lurch along in the fifth year of this government's mandate.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, we have in many respects reached a turning point in the life of this government. The Prime Minister has announced his resignation and the government is trying to renew itself. Yet a set of estimates has been presented which in fact demonstrates far too clearly the unfortunate, often I must say, dishonest approach this government has taken toward the public finances of this country.

It is possible however to probe with these estimates below the surface. The government tries to present a surface saying that everything is fine. This morning, people across the country heard the minister say: "We are in fine shape as a country. Everything is starting to move ahead as it should".

Let us look at some of the realities emerging from these estimates. Perhaps the most dramatic are the helicopters which were to cost $4.4 billion according to this government. It turns out in these estimates they will not cost $4.4 billion, but $5.8 billion. That level of extravagance and waste is simply unacceptable in this country.

Moreover, in the fine print of these documents is something which explodes entirely one of the government's major reasons for saying that this helicopter project should go ahead. It suggested that the new EH-101 helicopters would have lower operating costs and this would be a major benefit for Canada. In fact, I quote from part III of the more detailed documents relating to the national defence ministry. It indicates that the annual recurring costs represent "an increment of approximately $33.2 million annually over the combined total of recurring costs of the aircraft fleets which the EH-101 will replace".

In other words, these very helicopters that the government is trying to sell to the Canadian people as being cheaper are going to cost over $33 million more each year. This is the first piece of subterfuge the details of these estimates succeed in exposing.

• (1125)

These estimates also show that we are turning our backs on the poor and the hungry throughout the world. The suggestion was that we might see some cuts in international aid, but I do not think any Canadian realized that the bulk of the cuts that would be established would be in food aid to the poorest people who are starving in this world.

The amounts detailed in these estimates show that food aid directly will be cut by $10.6 million each year and food aid funnelled through other organizations will be cut by $25 million each year. We are talking of a total of over $35 million in cuts to food aid. That food aid would not only help many starving people in this world, but would also help Canadian farmers find outlets for the food they produce. That is what this government is cutting.

There are some other fascinating and sad details in this particular set of estimates. We are looking for national unity in this country. We are looking for economic development and fairness and economic growth across our country. I hate to say that in the details of these estimates there is a serious undercutting and sabotage of the national unity of this country.

In Atlantic Canada grants have been cut for economic development by $19 million. In Ontario, especially northern Ontario these grants have been cut by $1.5 million. In the case of aboriginal economic assistance these grants have been cut by $6 million. In the case of western diversification, development aid for the western provinces, these cuts are $16 million. However, for the province of Quebec there is no cut; there is an increase of $40 million.

We have economic problems throughout this country. For a government to come before this House with a pattern of expenditures that takes away from every part of the country and gives to a single part of the country is not just unfair, it is a devastating attack on our national unity. It is something that should not be permitted. That is one of the reasons this government must go and go quickly.

As well, there are cuts in this set of detailed expenditure outlines to environmental non-governmental organizations at both the national and international levels. Environmental organizations have been extremely useful and valuable in trying to increase the attention and concern of Canadians with respect to environmental issues.

There are cuts of over $300,000 to environmental organizations here in Canada. There are also cuts to groups such as the Canadian Energy Research Institute which is looking at alternative energy sources. There are cuts to the Committee on the Status of Endangered Wildlife in Canada. There are cuts to the chemicals control program of the OECD. There are cuts to the economic commission for Europe's co-operative program to monitor the long range transport of air pollution. These are short-sighted cuts which do not recognize the long-term impact and dangers associated with penny pinching on our environmental concerns for the future.

• (1130)

The reality is this government is spending $5.8 billion on helicopters as compared to the $4.4 billion it said it was spending. If it was not spending that $5.8 billion, if it was not spending more money each year to keep its fleet of helicopters going as a result of the replacement, it would be able to take a more enlightened approach to see that food aid got to the people who need it across this world.

The government would be able to see to it that we had a fair distribution of economic development support throughout this country. It would be able to see to it that environmental programs were supported.

Finally the government would have been able to bring to this House as part of its estimates, as it should have, a set of commitments to support AIDS research which the government has had to indicate in its news release it is not yet in a position to announce. This is much to the distress of AIDS organizations throughout this country. They desperately need the bridge financing to keep programs going to deal with one of the most serious epidemics this country knows.

This is a bad set of estimates. I hope this House in committee will reject it.

Mr. Gauthier: Madam Speaker, I rise on a point of order.

We are dealing with a very important subject, the Main Estimates. My point of order is that according to Standing Order 81(4) these estimates being tabled today will be deemed to have been reported to the House by May 31 next. They will be deemed to be reported even though many committees of the House will not have had time to look at the estimates, seriously consider them and possibly pass judgments on the expenditure plan.

The public accounts committee and some members of this House have for many years said that the House should review the presentation of the information given to Parliament that in its present format—there were some 84 volumes tabled this morning—is sometimes indigestible and is not being used by members of Parliament.

If I look at the government's information, it says here: "The estimates document contain a wealth of information regarding the spending plans of the Government of Canada. Though primarily intended for members of Parliament, these documents will prove useful to groups and individuals".

I am not boasting here, but last year for example, the only standing committee that reported in due course was the standing committee that I chair, the public accounts committee. The finance committee, which looks after a lot of very important documents, met once last year to look at estimates. It met once, on April 9, and looked at the estimates for customs and national revenue.

My point is this. Yesterday in this House, I tabled a report dealing with information to Parliament. It was put forth by the Standing Committee on Public Accounts. I would like to put into the record just one paragraph of that report which says—

An hon. member: What is your point of order?

Mr. Gauthier: My point of order is that we should look at Standing Order 81(4), an order of the House under which we operate. My point is that we should take note of the voluntary will of the members of Parliament to enhance the information that we have before us to make sure that it is being used, that it has not become a farce.

I have a recommendation for the hon. member, a member of the public accounts committee himself, who actually seconded this report when it was tabled in the House yesterday. He was a member when the report passed unanimously. I pray that he will at least read it and maybe understand it.

• (1135)

The information Parliament gets has to be clearer, has to be more useful and has to be more relevant to what we are getting here.

* * *

[*Translation*]

BILL C-93

TABLING OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, on behalf of the hon. member for Dauphin—Swan River, I have the honour to table today, in both official languages, the report of the legislative committee on Bill C-93.

* * *

[*English*]

BILL C-95

REPORT OF LEGISLATIVE COMMITTEE

Mr. Ken Monteith (Elgin—Norfolk): Madam Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-95, an act to continue the Farm Credit Corporation and to repeal certain acts in consequence thereof, with an amendment.

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

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

IMPLEMENTATION ACT

MEASURE TO ENACT

Right Hon. Joe Clark (for the Minister for International Trade) moved for leave to introduce Bill C-115, an act to implement the North American free trade agreement.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Clark (Yellowhead) for Mr. Wilson (Etobicoke Centre) moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

FOOD AND DRUGS ACT

MEASURE TO AMEND

Mrs. Louise Feltham (Wild Rose) moved for leave to introduce Bill C–410, an act to amend the Food and Drugs Act (labelling of cosmetics).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mrs. Feltham: Madam Speaker, the purpose of this bill is to mandate that every skin care product, sun tan lotion, sun screen, body soap or other cosmetics sold in Canada carry a label setting out its ingredients and the concentration of those ingredients and indicating which of those ingredients, if any, is a preservative.

Madam Deputy Speaker: Mrs. Feltham moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mrs. Beryl Gaffney (Nepean) moved for leave to introduce Bill C–411, an act to amend the Criminal Code (sales of cards and games to minors).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mrs. Gaffney: Madam Speaker, I am pleased to rise in the House to introduce the bill this morning, an act to amend the Criminal Code concerning the sale of cards and games to minors. We know them mainly as killer cards and games that promote killers.

The purpose of this bill is to prohibit the sale or gift of cards and games based on crimes to persons under the age of 18 or their exchange with such persons.

Madam Deputy Speaker: Mrs. Gaffney moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

• (1140)

[*Translation*]

HOUSE MANAGEMENT

CONCURRENCE IN 65TH REPORT OF STANDING COMMITTEE

Mr. Peter Milliken (Kingston and the Islands) moved that the 65th report of the Standing Committee on House Management, presented in the House on Thursday, February 18, 1993, be concurred in.

Motion agreed to.

* * *

PETITIONS

TUITION FEES

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I have only one petition today, but it is extremely important.

[*English*]

I have a petition from 7,000 students from Saskatchewan who deplore government policies in education and related matters.

They point out that the cutting back of transfer payments has been harsh on students, that taxing scholarships is inappropriate, that the 3 per cent tax on needy students who have loans is unacceptable and must be removed, that the six months additional interest on student loans should go, and that the government has an archaic student aid program that must be revised. They deplore as well the goods and services tax on books and reading material.

This particular petition represents not only the sentiment of 7,000 students from Saskatchewan but sentiment across the country.

CHILD POVERTY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I have a petition that reminds us of the unanimous decision taken by this House on November 24, 1989. I repeat:

> That this House express its concern for the more than one million Canadian children currently living in poverty and seek to achieve the goal of eliminating poverty among Canadian children by the year 2000.

These petitioners state that poverty and Canadian children will yield ever-increasing costs to the administration of health care, justice and social welfare; that the sound financial management of any country demands the prevention of poverty; and that child poverty is the fundamental reality of family poverty.

The petition ends by humbly praying that Parliament take the actions necessary to reaffirm its commitment to seek the elimination of poverty among children of Canada by the year 2000 and to develop a plan of the implementation and that commitment.

[*Translation*]

REQUEST FOR ELIMINATION OF VIOLENCE IN OUR SOCIETY

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I would like to table a petition from residents of Malartic, Rivière-Héva, La Motte, Val-d'Or, Lac-Marois, Joutel and Matagami, in the riding of Abitibi, who say that films depicting violence on television are dangerous and therefore unacceptable because they act as a stimulus for violent behaviour.

The petition also says that all toys that incite children to play violent games are unacceptable and their manufacture should be banned. It is also pointed out that the repeated broadcasting of news about acts of violence on television, on all channels, and on radio may act as a stimulus for further identical violent behaviour.

Therefore your petitioners humbly pray and call upon Parliament to pass the appropriate legislation in order to eliminate violence in our society and thus protect our children and make our communities a safer place to live.

[*English*]

CANADA POST

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I rise under Standing Order 36 to present a petition from my constituents in the towns of Spaniard's Bay and Tilton. It is particularly significant that the number of signatures, roughly 1,200, represents practically 50 per cent of the population.

They are concerned about the reduction of postal services in rural areas. They are concerned that Canada Post intends to systematically close an important number of post offices in small municipalities. They are concerned that the population is firmly opposed to this systematic closure in rural Canada and they cannot seem to do very much about it.

They want to register their concern loudly. I met with them two weeks ago on February 12 and they are asking Parliament through this petition that the rural communities already badly affected by reductions will recover the complete postal services to which they were accustomed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, Question No. 338 will be answered today.

[*Text*]

Question No. 338—**Mr. Murphy:**

> With respect to the legal opinions on the constitutional validity of referendum proposals received by the Department of Justice on May 20 and 21, 1992, (*a*) how many opinions were received (*b*) what firms and which lawyers provided these opinions (*c*) how many pages long was each opinion (*d*) what was the cost of each opinion?

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, in response to the hon. member's question: (*a*) six.

(*b*)	Ian Binnie	McCarthy Tétrault, Toronto
	Pierre Blache	Université de Sherbrooke
	Patrice Garant	Université Laval
	John I. Laskin	Davie, Ward & Beck, Totonto
	Stanley Martin	Russell & DuMoulin, Vancouver
	H. Lorne Morphy	Tory Tory DesLauriers & Binnington, Toronto

(*c*)	Binnie	2 pages
	Blache	3 pages
	Garant	6 pages
	Laskin	7 pages
	Martin	5 pages
	Morphy	2 pages

(*d*)	Ian Binnie	$ 2,722.63
	Pierre Blache	$ 3,431.48
	Patrice Garant	$ 1,875.00
	John I. Laskin	$ 6,997.91
	Stanley Mating	$ 7,998.12
	H. Lorne Morphy	$ 4,062.83

These include travel costs and other expenses.

[*Translation*]

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

Mr. Langlois: I ask that the remaining questions be allowed to stand.

Madam Deputy Speaker: Shall the remaining questions stand?

[*English*]

Some hon. members: Agreed.

Madam Deputy Speaker: The hon. member for Windsor—St. Clair is rising on petitions. I am sure the House will agree to revert to petitions.

* * *

PETITIONS

STUDENT LOANS

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, I have the honour and the duty to present petitions which have been properly certified by the clerk bearing the names of some 3,000 students at universities and colleges in Saskatchewan.

They humbly pray and call upon Parliament to eliminate the 3 per cent tax on student loans, to increase the weekly loan limit, to keep the six-month interest subsidy, to respect the current limits for minimum course load and to maintain special forgiveness for students with disabilities on their total borrowing time.

The petitioners ask that the student loans program be amended to guarantee 100 per cent of student loans and to improve accessibility to student loans for part-time students.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Tuesday, February 23, consideration of the motion of Mr. Mazankowski that Bill C-92, an act to amend the Income Tax Act, the Canada Pension Plan, the Income Tax Conventions Interpretation Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and certain related acts, be read the second time and referred to a legislative committee in the Economics envelope.

Madam Deputy Speaker: Before recognizing members for debate I wish to inform the House that pursuant to Standing Order 33(2)(a), because of the ministerial statement Government Orders will be extended by 30 minutes beginning at one o'clock p.m.

When Bill C-92 was last before the House the hon. member for Burin—St. George's had been recognized for debate.

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, yesterday with the announced resignation of the Prime Minister that he is stepping down as leader of his party must mean that today is a completely new day, a new beginning. Everything has changed. That is the rhetoric. The unpopular PM has thrown in the towel.

Mr. Loiselle: Be nice, be nice.

Mr. Simmons: I am just setting the stage for the benefit of my good friend, the President of the Treasury Board, who has had a rough day so far. I do not want to make it any rougher for him.

I was just about to say that with the decision of a very unpopular PM to step down, we would expect this morning, if we believe the rhetoric, that all had changed. We would believe that all the bills where the rich were being looked after at the expense of the poor, all the bills such as Bill C–113 where the poor were being pummelled to help the rich, were no more because the whole landscape had changed. The rhetoric of yesterday was that all the bad things the public of Canada has come to associate with this regime are no more. It has all been exorcized from the public domain. The arsonist has run out of matches. He is tired of lighting the matches. He is throwing in the towel.

This morning when we stand and sit here and see this bill, what really has changed? We are still debating the legislation, which I suppose had the concurrence of the retiring Prime Minister but certainly had the concurrence of the cabinet.

• (1150)

Let us understand how bills get before this Chamber. They do not come at the whim of one person, be it the Prime Minister or somebody else, they come here because a party, a government caucus, in its wisdom feels this is the kind of legislation it wants to promote.

We are getting that on the record because we are going to see some interesting two-steps over the next few months. The category of speech from my friends such as the Minister for International Trade, the Minister of National Defence, the Minister of the Environment, the Minister of Employment and Immigration and the Minister of Communications will be: "The devil made me do it. I really did not agree with this GST. If I were there it would have been different". They were there, and when this bill was agreed to they were there.

They agreed to set out and look after some family fortunes in Montreal, Toronto and other places across this country. They were there when Bill C–92 was concocted. The ministers of environment, employment, international trade, defence, and communications were there.

They were there when Bill C–113 was concocted, when it was decided to label all people who quit employment because of sexual harassment or other forms of harassment. They were there when it was decided to pummel those people. They were there when it was decided in Bill C–92 to look after the Bronfmans in Montreal. I wonder if the Bronfmans will be affected by Bill C–13. If they quit their job without notice will they have to line up to be told they do not qualify? Not likely.

Let us talk about Bill C–92. The Bronfmans of Montreal will rest easier once this amendment gets shoved through the House by the Prime Minister, retiring though he is, and by the ministers of employment, environment, communications and trade.

Mr. Blenkarn: Why?

Mr. Simmons: I hear the voice from Mississauga South. I am not the first Newfoundlander to hear that voice with some apprehension. Others in Newfoundland have heard that voice before. What they cannot do is get their hands on the carcass.

Mr. Blenkarn: Last summer I was there.

Mr. Simmons: The last time he went to Newfoundland he went incognito. My advice to him is to either not go any more or to go incognito a second time. I am not the first Newfoundlander to hear that voice and to hear it apprehensively. He can insult me all he wants. I am paid to take his insults.

Mr. Blenkarn: Well that is good.

Mr. Simmons: He cannot insult the people of Newfoundland, as he did several times, without some retribution. I advise him for the sake of his own carcass not to go there any more or to go there incognito like he did last summer and not tell anybody he is there.

He asked a question and I will give him the answer in a minute. Let me first list off the names. The Bronfmans of Montreal, now there is a poor family who needs the legislative help of this particular Chamber.

Mr. Blenkarn: How are they affected?

Mr. Simmons: How are they affected? They own Seagrams.

How about the Steinberg family, the Kofflers who founded Shoppers Drug Mart, or the Billes family who founded Canadian Tire?

An hon. member: Oh, oh.

Mr. Simmons: They are a tender lot this morning, but I would be tender too 24 hours after seeing my last hope go down the drain. I would be tender too. I would be verbose as well.

Mr. Blenkarn: You are verbose.

• (1155)

Mr. Simmons: I do not think I could be as verbose as the member for Mississauga South, but I would be verbose if I had the legs knocked out from under me yesterday with the resignation of my leader.

Mr. Blenkarn: How are they affected?

Mr. Simmons: The member for Mississauga South asks how. Well, let us have a look at it. I think he knows the answer.

Mr. Blenkarn: Tell me how the trust works?

Mr. Simmons: No, I am not going to take the time to tell the House.

Madam Deputy Speaker: I will be delighted to recognize the hon. member for Mississauga South the next time around. I think that a conversation across the aisle is not the way that debates are done in this place.

Mr. Simmons: I thank Madam Speaker for her protection. I am a coward.

Madam Deputy Speaker: I think the hon. member really needed it.

Mr. Simmons: I am a coward, I am absolutely shaking in my shoes as a result of the thundering verbal attacks from the gentleman from Mississauga South.

No, I do not know nearly as much about those family trusts as he does, so I am going to leave it to him to tell this House why the Steinbergs are out there waiting for this amendment. I am going to leave that to him. That is something he knows a lot more about than I do. I will concede that to him at any moment of the day.

Unlike him I was not sent here to plead the cause of the Steinbergs and the others I have mentioned. I was not sent here to plead their particular cause. They can look after themselves nicely, thank you. I am here to plead the cause of the people who that member wants to pummel under the other bill they rammed through here yesterday, Bill C–113. They are people who under the changes to unemployment insurance will never get to be a Steinberg because this government, whoever leads it, will keep them under its thumb, aided and abetted by the right wing of the party as epitomized by the gentleman from Mississauga South.

I am not surprised that he yelps, screams and bawls this morning. We are used to that. However, it is useful. It is instructive to ask why he is doing it this morning. Why is he so aroused this morning, as opposed to other mornings? Why is he aroused at all so early in the morning?

What has changed since yesterday, since we heard the resignation of the gentleman's leader. Has the GST suddenly been cancelled? Is that all behind us now? Is that gone? Is that exorcised from the landscape? How about the 325,000 manufacturing jobs we have lost since that man became leader? Have they all been restored? Have we undone all the pain of the 200,000 personal and corporate bankruptcies? That must be a really amusing thing for the member for Mississauga South. There have been 200,000 corporate and personal bankruptcies since 1989. Have we undone all that pain? Is that all water under the bridge now?

No, today is very much as it was yesterday. Today the country is in the grip of a government that foists this kind of legislation on the people of Canada, that says that after 21 years these people need to buy another few years, maybe another 60 or 70 years until all their offspring are deceased. That is why the Bronfmans, the Steinbergs, the Billes, the Kofflers, and the Beaverbrooks are facing some fairly troubling money decisions these days. They will not have many difficult decisions to make if this government rams through the bill.

With the new dawn we are part of now, with the leader about to step down over there, maybe we will have some new twinges of conscience. Maybe there will be some second thoughts on that side of the House about Bill C–92 and Bill C–113. Those are the twin bills that cater to the rich and sock it to the poor. Maybe there will be some changes of heart over there.

• (1200)

There is going to be a bunch over there looking for votes across the country. They are going to need more than the votes of the five rich families I mentioned. They are going to need some of the votes of ordinary people, of people who do not drive around in limousines, of people who have to agonize from season to season whether they are going to get enough money to keep them through the winter through seasonal employment opportunities.

Maybe they are going to need that kind of person to support them in their leadership bids. If they do they better have a look at this kind of legislation because it has helped the rich of Canada shelter billions of dollars in assets in family trusts and postpone paying taxes.

Yes, the original bill in 1972 allowed that to happen for 21 years. They have had 21 years to get their house in order. Do they need another 60, 70, 80 or 90 years?

Let us have a look at what others are saying on this particular bill. Look at what the dean of the University of Victoria Law School is saying on this particular issue. The impression here is somehow that I am the only person who takes this position. Maureen Maloney, dean of the University of Victoria Law School, says: "It is nothing more than an interest free loan from the government to Canada's wealthiest families". It is an interest free loan to whom, to the people on minimum wage, to the 40 per cent of the people working in the service sector whose wages are below the poverty level? For 40 per cent of all the people working in the service sector their wages are below the poverty level.

We know the answer from the member for Don Valley North. She said: "Let's rewrite the rules" if there are too many poor people out there. She said the other day that she can solve that problem: "Let's change the definition". If there are too many poor people under the poverty line then move the line down. That should buy a lot of groceries. How is that for a brilliant Tory solution? By a stroke of the pen let us tell them they are not poor.

The member for Don Valley North has got news for those who live in Calgary; Edmundston, New Brunswick; Mississauga; Welland; or Halifax. She has figured out their problem. If they are poor then she has the solution to their problem. She is going to rewrite the definition. They can go the grocery store and tell them what the member for Don Valley North said. She says they are not poor at all. They are not poor. The government just wrote the rules the wrong way so it is going to change the rules for them.

What is it going to put in their pockets? We know what the government has put in the pockets of the Bronfmans because I have just been through that in discussing Bill C-92. There is no question about that. Do not take my word. The lady from the University of Victoria Law School says: "This is an interest free loan to Canada's wealthiest families". How many of the not so wealthy families in Canada would like to have an interest-free loan so they could buy some groceries, fix up the house, fix the roof on the house, or pay to send their young fellow or young girl off to college or university?

There are a lot of Canadians out there who would like that kind of leg up from the government. The government is not particularly interested in those people. What does it spend the time of the House doing today? We are discussing a bill to benefit a few people who can afford those family trusts. That is what this is all about today.

I had to get up and debate it and put on the record my party's position, and my own position on behalf of the 85,000 people I represent in Burin—St. George's, but the whole bit of legislation is a pure waste of time.

• (1205)

The explanation that came out is interesting too. One of the people who will probably be running for the leadership actually sponsored this piece of legislation, the former Minister of Finance. It is interesting that the other piece I kept mentioning, I say to my friend from Gander—Grand Falls, Bill C-113, was sponsored by another would-be prime minister of this country, the minister of employment.

I will be interested to watch the news as it unfolds during the next few months to see how these two guys explain that. How do they explain that their names are associated with two bills, one to pamper the rich, this one, and the other to pummel the poor, Bill C-113?

Do they want to be prime minister of this country? We have just been through that kind of prime minister, thank you very much. One is enough for the next hundred years or so.

This bill first of all is a waste of the time of this House. There are more important things we could be doing here.

I started to say that when the former Minister of Finance explained the reason for this bill some months ago, he indicated that without it things would be very complicated. Is that not awfully tough? Can you imagine those poor old Bronfmans down there? Can you imagine them having to shell out a few more bucks on another legal bill to straighten out their family trust?

Would you not like to be in the kind of situation where you had a trust that was so rich and so complicated that you had to get a lawyer to straighten it out for you? Is that not a rough tough position to be in? Do not worry.

Your ever-trusting former Minister of Finance is coming to the rescue. If you rich people out there are having trouble with your legal fees, with your complicated family trust, he is coming to the rescue. He who wants to be the prime minister of this country, there he is, aided and abetted by the minister of defence and the minister of employment. There they are ready to see that the Steinbergs of this country do not have undue agonizing over their legal problems. He will straighten it out. Do you have problems? We will pass a new bill for you, folks. There is no problem at all.

If only the ordinary people of this country had the same access to this Chamber, if only the ordinary people could get that kind of action, if only those 325,000 people who have lost their manufacturing jobs over the last nine years since the gentleman from Baie Comeau became Prime Minister had that kind of responsiveness from this House, what a great country it would be. What a great government it would be.

The question is, should we pass this rich man's bill. Should we help the former Minister of Finance in his quest to make things legally simple for the richest in this country? I do not know about the rest of them here, but we in this party are against this bill. We are against Bill C-92. Not only is it a waste of time, but it unfairly gives an advantage to those who need it least.

I am looking forward to hearing from my friend from Mississauga South. He is panting over there. He is all ready to get up. He is going to explain to us the fine points of this bill. Unlike him, I do not have the financial training that he does. I did not come here to represent that sector of society. I came for a completely different reason altogether.

He too has an opportunity to rise in this place and tell us why it is he is so chafing at the bit to see to it that the Bronfmans and the Steinbergs are properly protected. They should be as long as their protection is no more gilt-edged than the Smiths, the Levines, the Jones, the Leblancs and the others in my riding and across this country.

We do not stand here to oppose the concerns of particular people, but only to ask that those concerns be dealt with in a way that does not trample on other people. That is why during my few minutes, and I realize that my time is up, I talked about the two bills together, Bill C-92, which in my view is a rich man's bill, and Bill C-113 which pummels the poor, the unemployment changes bill.

• (1210)

These two have to be taken together because it puts in stark relief what this government is doing to various groups of people in this country. That I deplore and that is why I am so opposed to this particular bill.

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, yesterday we heard of the departure of the Prime Minister. My leader has described him as brother Daryl and we know that the opposition is led by the other brother Daryl. I am really puzzled by this debate.

We heard the member from the Official Opposition raking the government over Bill C-113 which cuts unemployment benefits from 60 per cent to 50 per cent. This is the same party that cut those benefits from 66 per cent to 60 per cent. Now he rakes them for this tremendous gift to the very rich, the Bronfmans, the Reichmanns and so on.

I ask him who was the first to give those rich people this gift back in 1972? Who provided the shelter for the trusts in 1972? Why, if it was so good then, is my other brother Daryl raking the government for doing the same thing in 1993?

Brother Daryl and this other brother Daryl, as most Canadians know, stand for the same thing. We hear great eloquence condemning what is given to the rich and taken from the poor by the Official Opposition, but they seem to forget that so much was taken back from the poor and given to the rich when they were in power.

My question to him is how does what the Conservatives are doing now differ so dramatically from what the Liberals did in 1972 when they created the shelter that is being extended by the Conservatives today?

Mr. Simmons: Madam Speaker, today I am wearing my very special suit. It has a pocket in here and a pocket in here. I call it my NDP suit.

You see, if I want to be against Hibernia I put my position in this pocket. If I want to be for Hibernia, I put it in this pocket. That is how they treated Hibernia. That is how they treated most other subjects.

My friend from Windsor—St. Clair, one of the acolytes in the "McLaugh-in" economic choir, that funny money choir you heard singing last week, has the audacity to get up and talk about somebody with two positions on an issue. Talk about the pot calling the kettle black. You talk about it.

I could take him through a dozen examples in this House where that party has been on both sides of every issue, where everybody in that party should wear a suit like this with at least two pockets.

The member asked a question and he will get the answer to his question. I tell the acolyte in the "McLaugh-in" economic choir that he will get his answer. I gave the answer in my speech. I said yes. In 1972 it is true the government—

Mr. McCurdy: Now you have changed your mind.

Mr. Simmons: Now he says I have changed my mind. Does he not know that yelling by itself does not mean much unless you are saying something. Does he not know that?

I said in my speech about 15 minutes ago and made reference to the fact that this was brought in in 1972. There are two things. One, I said I thought 21 years was enough to allow these people, the Bronfmans, and the rest, to get their house in order. Two, I say to him that neither I nor he were here in 1972. Do I take responsibility for everything that happened decades ago? No.

• (1215)

I will tell him this and he had better be governed by the same principle. While I am here in 1993, if I see something that is wrong, I will get up and say so, whether or not somebody in my party did it or somebody in somebody else's party did it.

This whole idea of my party, right or wrong, is an NDP idea. It is not a Liberal idea. It is an NDP thing. He should not get trapped into it because if he does, he is going to have to be in Newfoundland telling the people that he is for Hibernia, but when he goes to Toronto he is going to have to tell the people that he is against Hibernia like his leader has done on several occasions.

He should make up his mind whether he is going to preserve the credibility that he is known for or whether he is going to say my party right or wrong. If he does the latter, he is on a very sticky wicket.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, I have a question and a short comment.

Since 1972 and even prior, the political party that voted against the great budgets of Allan MacEachen which closed every loophole and even more, the great budgets that were presented by Liberal administrations and the great tax changes that cannot be denied by anybody because it is a part of our history, were opposed by the NDP and the Tories.

Some hon. members: Hear, hear.

Mr. Baker: It was the Liberal government that brought in the closures of the loopholes that they now so vehemently brag about.

Let me ask a question of my—

Madam Deputy Speaker: Just a moment. My ears have been asking my head, where are we? Are we in a school yard or in the House of Commons? The hon. member will put his question.

Mr. Baker: Madam Speaker, exactly. The NDP member from Windsor who spoke should stick around because I am going to tell him the historical facts on tax changes in about 45 minutes. I have now decided to have a few words to say in this debate because of what he just said concerning the NDP and the Liberals.

I want to ask the hon. member for Burin—St. George's if he has any opinion at this moment in time regarding the fact that the number of people making over $200,000 a year, as reported on their income tax returns, and who pay zero income tax in this country has doubled? According to the latest figures from Statistics Canada, the numbers have doubled on their reported gross earnings on their income tax returns year over year from 1988, 1989 and 1990.

Mr. Simmons: Madam Speaker, I thank my friend from Gander—Grand Falls. He is perfectly right. The numbers have doubled. He is not surprised and I am not surprised. I am not surprised because that has been one of the objectives of this administration, to see to it that the rich get richer and the poor get poorer.

The statistic that I keep quoting is this. Since 1984, if you earn $100,000 or more, your total federal taxes have gone down by $1,200. If you earn $20,000 or less, your total federal taxes that you pay have gone up by $1,600 a year.

As I said with the two bills, they are pummelling the poor and pampering the rich.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I have been listening with great interest to the exchange between the hon. member for Burin—St. George's and the hon. member for Windsor—St. Clair.

I am still not quite clear what the intellectual process has been that the member for Burin—St. George's has gone through in arguing that in 1972 it was totally acceptable and in fact necessary for a government that was starting to pile up deficits at that point to preclude any payment by the wealthy families of this country to the public revenues of this country through this family trust. Why was that such a good idea and such a necessary measure in 1972, and is now so abhorrent in 1993?

• (1220)

Mr. Simmons: It will not be difficult to answer that particular question. First of all, I said I was not here in 1972 and I have no idea what the rationale for it was. I also said that if it needed any time at all, 21 years was surely enough.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I am not going to deal with the entire bill here. The bill is a rather extensive annual bill dealing with income tax amendments that have been found necessary as a result of the activities of the department of revenue. There are necessary changes that have to be made from time to time to clean up problems in the act. One of the problems we have in the Income Tax Act is the question of the capital gains to be realized on trusts as a result of an amendment, change or provision actually made in 1971 when we created capital gains in the Income Tax Act.

To refresh everyone's memories, as of January 1, 1972 we brought capital gains in to Canada. Today when a person dies his entire assets are subject to capital gains tax as if he had sold the assets on the public market at the date of his death, the instant before he died. So today when a person dies, one takes the value of his assets from the valuation date of January 1, 1972 and determines what gain has been made on those assets to the date of death and tax is paid at that time on those assets.

The whole problem of trust is a situation that is often misrepresented. Trusts are very, very necessary. As a lawyer in a small town I invariably put a trust provision in most of the wills I drew for families. The reason was very simple. The assets in a family would go from the mother to the father and if both were dead, then the children would have to be looked after. People usually wanted to look after the children equally, but some children would be under 21 or under a certain age and they wanted them to have the assets. A trusteeship would be set up in that case to look after the assets for the children until it became an appropriate time to divide the assets. We almost invariably drew trust wills to make sure families looked after their children.

The objective of this particular series of amendments is to tie down and straighten up, codify and clean up some of the problems that result from the original provisions of the Income Tax Act dealing with trusts.

One of the problems we have right now is that while a trust has to realize its capital gains after 21 years in existence, there is nothing to prevent the roll over of the trust. So you can now roll over a trust to the next situation and then go for another 21 years. Under the current provisions of the statute trusts can be rolled over and rolled over. The consequence of this amendment is to make sure a trust can no longer be rolled over.

The other amendment is to make sure that when the first beneficiary of the trust in the next relationship to the settlor, testator or whoever set up the trust dies, the trust has to be wound up for the purpose of capital gains tax and capital gains tax must be paid. Even though the trust itself might carry on beyond that point, the trust would have to pay all its capital gains at the time on the death of the last person in the first generation. We are trying to clean up what is currently a bit of a mess in the Income Tax Act. The previous speaker mentioned various very wealthy families and how they were going to benefit, but at no point did he specify how they would benefit. He just listed a bunch of names of a lot of people who presumably have wealth. I do not know if they have wealth or not, but I do know what the situation is with many of my own constituents.

• (1225)

Often family members will come to a lawyer because they believe a member of their family is a spend-thrift, incompetent or incapable. They want to set up some asset for the benefit of that person for the length of his or her life. That is very frequently the situation. The problem is that under the current statute the trust either has to be rolled over or terminated in 21 years. Frequently that creates a real problem because it causes the forced sale of an asset in order to get the money to pay the capital gain, if any. If it cannot be rolled over it is a real problem. If it can be rolled over then there is still a great legal problem. Therefore we have said the trust can be carried on until the particular beneficiary of the trust passes away. Then it has to be wound up as far as the capital gains tax is concerned.

Now remember, we are only talking about the capital gains tax and the gain made on the asset. Capital gains tax is paid on all the assets of the settlor that go into a trust, whether it is an estate or an *inter vivos* trust.

Suppose there was no trust. Suppose that instead of putting the assets for a crippled daughter, for example, in trust she was just given title to the assets. She would receive title and the capital gain would have been paid by the estate. She would not have to pay capital gains tax on that asset again until she either sold the asset or died and there was deemed realization.

Why should the matter be any different with the imposition of a trust? There is really no difference at all. We make a grant to a trust the same as a grant to an individual. In the case of an individual, the capital gains on the second sale, if there is a further gain, is paid either when the asset is sold or when there is a death and that creates what is called a deemed disposition. We say the same thing ought to apply on the trust. When the asset is sold by the trust or the beneficiary of the asset dies, the capital gain must be paid. We are trying to make the matter equal for everyone. There is no attempt to create any massive tax shelter for the rich, the poor or anybody else. We are trying to clean up the question of the deemed realization of capital gains in a trust.

I would like to say that trusts are very common. They are not deemed and dreamed up to bury money for tax purposes. This government, through a whole series of loophole-closing devices has stopped virtually every conceivable use of trusts or powers of attorney or splitting of assets or cheap loans and deductions and so on with one change in the Income Tax Act after another. There is no use in a trust to save tax. When assets earn a profit in a trust they pay income tax exactly the same way an individual pays income tax on the profits every year those assets earn income. A trust pays income tax and files personal income tax returns the same as an individual files personal income tax returns.

• (1230)

If money is paid out of a trust then the beneficiary of the trust has to pay the income tax. The trust can deduct the money it pays out and the beneficiary pays the tax. If the money stays in the trust then the trust pays the tax. On cumulative trusts that is exactly what happens. The trust pays the tax on the income from the asset and the cumulative income from cumulated savings the same as you do. There is no magic in these systems.

Trusts are set up to control the ownership of assets to prevent them from being disposed improperly, to prevent the beneficiaries from having the control of the asset and to make sure the beneficiaries have the income from the asset. They are set up as control mechanisms in estate planning by people who want to transfer assets to people and retain the control of those assets. They are not designed for any other purpose.

There is no rationale to say they are somehow tax saving schemes. They are not tax saving schemes. They are planning schemes. They are designed for families who have people within the family who the testator or the settlor believes cannot handle his or her own affairs. It is in the best interest of the family that the asset we are talking about be held in trust. When it is held in trust it is protected in trust so the beneficiary cannot dispose of it, sell it, mortgage it or do a lot of other things beneficiaries might want to do, particularly beneficiaries who have great capacity to spend money but not earn or save it.

This whole concept is to put a trust law in place *vis-à-vis* capital gains that is identical to the trust law or the law in place with respect to capital gains made by ordinary individuals.

It has been said that there are a lot of trusts outstanding that have been outstanding since prior to 1971. Well most of those have been wound up but there are some still outstanding. The statute will prevent any roll overs of those trusts and make sure that on the first generation removed from the settlor or testator, those trusts pay capital gains tax and for that purpose they have an extension. The capital gains tax they will pay will be the same capital gains tax you and I would pay if we had something we had given to us or inherited or bought prior to January 1, 1972. We would pay the gain from January 1, 1972 to the date of our sale or our death.

There is no tax sheltering or hiding here. There is no loophole here. We are cleaning up a very difficult situation for people who are planning the affairs of their families and trying to look after their children by giving them assets they cannot sell or dispose of during their lives. When those children die then the trust will be wound up or forced to pay the capital gains tax on any gain. This, I repeat, is not a scheme to try to defraud the revenue or cheat on revenue or save or eliminate tax. This is strictly a statute provision designed to clean up what is a legal nightmare for a great number of people right now.

• (1235)

It is to clean up the problems so that those in future who create these trusts will know the rules and we will impose these rules on existing trusts. There is nothing to be gained here by getting nasty about it. We are going to have witnesses and hold hearings on the matter.

I have been asked to make a motion before I sit down. Madam Speaker, I think you will find unanimous consent to refer Bill C-92 to the Standing Committee on Finance instead of to a legislative committee.

Madam Deputy Speaker: The House has heard the motion as presented by the hon. member. Is there unanimous consent?

Some hon. members: Agreed.

Madam Deputy Speaker: So ordered.

Motion agreed to.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, I wonder if the member would tell us how many trusts are involved, what the size of these trusts is and what is the exposure of the treasury if this bill is passed.

As the member from Newfoundland indicated earlier it is not people who worry about the end of the month who are interested in this bill. It is people who, and perhaps the member can give us some facts and figures to show otherwise, have large amounts of money which they want to pass on to their children who are interested in this bill.

I wonder if he could tell us something about the nature of the people or the assets of the people who are asking for this bill to be passed.

Mr. Blenkarn: Madam Speaker, the detail of what is anticipated to be affected by this bill will be set forth fully in committee. We certainly will have witnesses on that.

In my experience as a practising lawyer I can say that generally the people we are talking about are not necessarily wealthy. They are often people who have a member of the family who is not competent to handle their affairs. They want that member of their family and their kids to have a house.

They buy a house and put the house in trust with a provision to make sure there is money to keep the taxes up so that family member will have that house for his or her lifetime. The family member cannot mortgage it and cannot sell it. He or she cannot do a damn thing except live in it, and usually on certain terms and conditions of maintenance. That is the kind of thing that happens.

We have here a provision concerning the capital gain that would be then payable on that house, because it would be a trust house and would not be a private dwelling house owned by a homeowner. It would be owned by the trust. The capital gain on that house would have to be paid when the death of the family member for whom the trust was set up occurred.

That is the provision of this act. The trust cannot be rolled over or anything like that for another period. It has to be collected at that one point. I drew two or three of those types of situations in my law practice before I came to this place. There are a lot of these types of situations.

Another situation that often occurs is when there is a family business and it is felt that in the interests of the family that the shares of the business stay in one block. The consequence is that the shares are held by a trustee in a block for all the family members. Under the provisions of this statute the trust would have to be wound up and the capital gains on the assets in the trust would have to be paid on the death of the last family member.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, the hon. member knows that there is such a thing as an anti-avoidance rule. The hon. member knows that if people are trying to get around the 21-year rule they have to go before a judge and prove that they are not just trying to avoid paying taxes.

I want to ask the hon. member this question since we gave unanimous consent for this bill to go to his committee. I want to ask him this question. There are going to be witnesses. The associate dean of Osgoode Law School said that in his opinion the number of trusts involved represent not only most of Canada's billionaire families, but multi-millionaires, your basic millionaires and those who certainly earn more than your average household income. They can afford to pay those taxes now and the country certainly needs them. By letting the trusts off the hook the government is allowing a substantial amount of tax revenue to be deferred just when it needs it most.

• (1240)

The dean of the University of Victoria Law School in British Columbia, Maureen Maloney—the hon. member wants to talk about lawyers—says that it is nothing more than an interest free loan from the government to Canada's wealthiest families.

A tax expert is quoted today in the paper. The paper says: "Toronto tax lawyer Kathryn Bush has reviewed the legislation in draft form for her clients and said yesterday the government's replacement for the 21-year rule may be more generous than intended. It is entirely wide open. It could have been less generous".

Is the hon. member prepared to call these witnesses, these experts who certainly know more about trusts than a great many members in this Chamber, who have expressed their opinions and have talked about Canada's billionaires benefiting? Will the hon. member give a commitment that he will call them as witnesses before the committee?

Mr. Blenkarn: Madam Speaker, I would think that it would be absolutely imperative that we have the benefit of Professor Neil Brooks. He has made all sorts of allegations that this particular provision is a tax avoidance scheme. It is imperative that the members of the committee hear from Professor Brooks. I did not know there was another dean in Victoria but we could call her too. I think it is imperative that we have Professor Brooks before us.

I want to assure my friend that if Professor Brooks is right we will have to make sure that the statute does not go beyond the committee. However, I suspect that we are going to find that Professor Brooks is so full of New Democratic Party logic that his testimony will be of that nature.

Mr. Baker: Madam Speaker, the hon. member has made a somewhat disparaging remark about the associate dean of Osgoode Law School. I also mentioned the dean of the University of Victoria Law School in British Columbia, Maureen Maloney, who is recognized as being an expert on tax law in this country. The other lady I mentioned is a recognized tax lawyer in Toronto, Kathryn Bush.

Is the hon. member saying that these experts, the dean of the Victoria Law School and the tax expert that I just mentioned, are associated with a political party in this Chamber? Is that what the hon. member is saying?

Mr. Blenkarn: Madam Speaker, I do not have any knowledge concerning the lady from Victoria or the lady who writes in the newspaper, though I usually find newspapers not all that accurate in this country. I think that even the hon. member will agree that the day they get it right will be a frosty Friday.

I certainly do know of the professor at Osgoode Hall about whom he speaks, from the law school at York University. I do know of his credentials with a certain political party. I want to tell the member that while the other people may not belong to that party, certainly the one I mentioned does.

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, I am pleased to follow in this line of questioning, having Maureen Maloney, the dean of the University of Victoria Law School, as a personal friend of mine. Her political affiliation is not relevant in determining whether she would be a good witness before the finance committee on this very important issue.

The same also goes for the dean of the law school at Osgoode Hall, which is a very prestigious law school.

• (1245)

Both Dr. Neil Brooks and Dr. Maureen Maloney may elevate the debate in the finance committee on this important issue. I ask the member whether he wishes to call them as witnesses before the committee.

Mr. Blenkarn: Madam Speaker, I think they would both be excellent witnesses. I indicated to my friend from Gander—Grand Falls that we would certainly call Neil Brooks. He is close at hand. If Dr. Maloney would also like to come we could certainly call her.

I want to say very clearly to this House that there is no intention on the part of the government to in any way do anything more than to correct this current situation that was created in 1971 so that we treat trusts in the same fashion as we would treat transfers to individuals in an absolute form. There is no attempt to try to give an advantage to any one group of people.

I know what has been said and it has surprised me. I certainly will want them to be able to present evidence that there is some kind of huge advantage being given to anyone because in my view and in the view of the government there is not. I give her the undertaking that if they can show that some huge, advantageous loophole is being given then we will not be able to pass the statute the way it is written.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, I would like to say a few words about this legislation given the responses of the government, of the chairman of the committee, of the minister in introducing it and of some members in this Chamber.

This is tax time in Canada. Many Canadians are preparing to fill out their income tax returns. Of those people who have gone to what are called discounters, companies like H & R Block and several others who advertise, to get an advance on what Revenue Canada owes back to them a great many of them right now have discovered that there is an attachment on their returns.

These are ordinary Canadians. There are 14.6 million Canadians who fill out income tax returns. The vast majority of them are what we would call ordinary Canadians and a great many of them look forward to getting a rebate or refund on their income tax return.

The government claims that times have been so bad in Canada that it has had to go back over its books and try to find out which taxpayers in Canada probably owe it money. There are tens of thousands of people finding out today that they somehow owe money to the federal government for student loans in the 1960s.

Further tens of thousands of people will discover when they fill out their income tax returns this year that they will not be getting any rebate because the government says they owe for student loans back in the 1960s.

What has happened is this, and it is not only student loans. The government has approved a measure so that if people are listed by any government department as possibly owing money from years and years ago it can then just be sent to the income tax department and it will put an attachment on their refund. That is what is happening in Canada. These are tough times. We have to address the deficit. Ordinary Canadians are trying to struggle with that and they say: "We are in a bad financial bind in Canada. We do have to pay more taxes. Perhaps the government is right to try to collect money that is owed". In a great many cases with regard to student loans it finds that these people do not owe a penny in student loans from the 1960s. Their names are showing up on the computers at H & R Block and every tax discounter in Canada with orders to call the regional taxation office. That office will then tell them to phone the Department of Secretary of State to find out about student loan money they owe.

• (1250)

That is reality in Canada today. We have a new income tax return in Canada today. Ordinary Canadians will no longer get the T1 General. Do you realize that, Madam Speaker? That is a massive change.

How does the government decide that 13 million of the 14.6 million taxpayers should only get this little tiny guide, the little tiny T1 Special? It looks back over its records to see if they have been involved in things that are more complicated than a simple T1 Special return. It does not want to waste money sending out the T1 General form.

The government announced today that the province of Newfoundland now owes it more money in equalization. In fact six provincial governments owe it $600 million that now has to be paid back because the government says they were overpaid. These are hard times. Historically Tory times are hard times and Canadians are realizing that.

What are we doing in this Chamber today? We are passing new laws on income tax. What is the subject under discussion here today in this Chamber? It is about an aspect of this particular bill that involves a change that will mean people will not have to pay taxes to the federal government that are due this year. That is what this bill is all about.

To put it in context, in 1971 Canada had what was called an inheritance tax, commonly referred to as an estate tax. That tax was levied prior to 1971. It was done away with in 1971 by the Government of Canada under Pierre Elliott Trudeau who was the Prime Minister and sitting to his right was the present Leader of the Opposition.

They sat there when that law was changed. The inheritance tax was done away with and replaced by the capital gains tax. I think that is generally accepted by everybody. The capital gains in a way replaced the inheritance tax because upon death, as the hon. member just noted, the property is deemed to have been sold for purposes of capital gains. Of course capital gains are at only half the normal rate of taxation.

When the government said it was going to do away with the inheritance tax and bring in the capital gains tax in 1971, there were an estimated 10 billionaires in Canada. In fact most writers claim we have more billionaires per capita of any industrialized country in the world. That has been repeated and repeated. The government knew that the most wealthy people in Canada would probably find a way to avoid paying it. I am not talking about a loophole. The word loophole has been used loosely in this Chamber by the Tories and the NDP. A loophole is an unintentional error in the design of the tax law. We are not talking about unintentional errors here. These are intentional errors; so-called incentives built into the Income Tax Act. The government sat down and it decided: "All right now, ordinary Canadians are going to have to pay capital gains, but perhaps some of the wealthiest people in Canada will try to get around paying the tax bill that was normally referred to as the inheritance tax, the estate tax because they will probably put it into a trust which does not die". You can die but your trust does not die.

• (1255)

The government passed what is now called the 21-year rule which said all taxes that would have normally become due to the Government of Canada by the replacement of the inheritance tax with this capital gains tax upon death would become due in 21 years. That started in 1972 and in the intermediary period of 1971 and 1972 most people analyzed it and said in that one year, by giving a tax break there, it is worth $66 billion. Now what does 21 years from 1972 add up to 1972 plus 21 years? Seventy-two plus 21. What year is that? Is that a year we have tough times in Canada? Is that a year when we have the GST? Is that a year when we have people filing income tax returns in my riding of Gander—Grand Falls and all around and learning they are having their income tax attached. Is that the same year? That is this year because 1972 plus 21 is 1993. It is this year that all of this money would have come due.

That is why the dean of the law school in Victoria is saying that billions of dollars are involved. The government's answer in this bill is: "No, we are going to change the 21-year rule until the youngest member of the family dies". How many years is that? Is it estimated at another 30 years, perhaps? "We are going to defer what the 21-year rule did so it will happen another 30 years down the road".

This rule was put in place to make sure the wealthiest people in this country pay the taxes normal Canadians have to pay. The big businessman will pay his capital gains like the little, tiny business man does.

Today in this Chamber we are passing a bill that will no longer have these taxes due, as these experts have claimed. The 21-year rule will no longer be there. It will be extended now. We will try to get our money out of ordinary Canadians. We will stick them with the GST. We will tell them their income tax return has been attached, but we will give a break to the wealthiest of the wealthy in this country.

I do not blame wealthy families. Some members have stood up in this Chamber and blamed the wealthy families. My goodness if the law is there, is it not there to be taken advantage of? Let us not blame people who are wealthy. Let us blame the members of Parliament who passed the laws. These are the people we should be blaming not for loopholes, as the NDP calls them, but for intentional changes to good law that were put into effect by the present Leader of the Opposition and Prime Minister Pierre Elliott Trudeau in 1972 to close a possible loophole for very wealthy Canadians.

• (1300)

Sometimes I am amazed at what ordinary Canadians will put up with. Do you know that when this government announced this change for the wealthy people of Canada, it changed the law in this Chamber regarding what some people can claim as entertainment on their income tax returns? Do you realize, Madam Speaker, in the midst of the GST clamping down on all ordinary Canadians and demands for repayments from widows and people who cannot afford it who were losing their homes, what the government did in this Chamber? In the last two years it changed the law relating to what can be claimed as entertainment expenses. The CBC discussed it one morning. An expert from Revenue Canada said that now under the recent changes to the act it is perfectly legal for someone to claim the services of an escort service, masseurs and masseuses as long as they have receipts. The taxpayers of Canada—14.6 million Canadians—are paying 80 per cent of the bill under entertainment and meals.

That is the change it made. Prior to this, one accounting firm would say this and this could be claimed while another accounting firm would say no. Some direction was needed. Revenue Canada gave them direction all right through this government. Now anything can be claimed that does not contravene the Criminal Code—if it enhances your business opportunities.

If everything was great and if everybody was getting a tax break in this country some of these measures might be all right, but certainly the claiming of escort services by wealthy taxpayers should never be allowed. That is what the Government of Canada has done.

There are 570 people in this country today making over a quarter of a million dollars a year who filed income tax returns and pay zero income tax. There are 13,000 Canadians today who are getting the GST rebate and make over $150,000 a year. How is this possible? It is possible because of the law and not because of a loophole in the law. It is possible because one may deduct such things as investment in foreign oil and gas developments in Colombia, Vietnam and other countries before arriving at your net income.

It is amazing what ordinary Canadians put up with in Canada when one looks at our Income Tax Act.

Let me make one further reference that some of the Tories are not going to like but I am going to say it anyway. In the Prime Minister's speech yesterday he repeated one sentence. The sentence he repeated was that the Conservative Party was very wealthy, it had a great war chest and oodles of money. It had loads of money, buckets of money, barrels of money, truckloads of money. At least that was the suggestion that the Prime Minister made yesterday.

• (1305)

The changes we are debating in the House today are going to be put through by the majority government. That does not surprise me at all. It is the very wealthy in our society who will benefit from these changes. It is the very poorest in our society that go to H & R Block today and say: "I want to get a refund on my income tax early and pay you 10 per cent or 15 per cent in the bargain to give me an advance on my income tax". Up on the screen for the first time comes the name of that person and then it says: "Refund attached, call Revenue Canada".

That poor woman turns around and calls Revenue Canada before she calls her member of Parliament. Revenue Canada says: "According to the Department of the Secretary of State in Ottawa you owe them money from 1960". The lady says: "Well I didn't hear anything about that. I didn't receive a letter". They say: "Well, no, that is the law, madam. Once they notify us that you owe them money we have to attach your entire rebate. We cannot do anything with it". The lady says: "Well what am I going to do?" The fellow says: "You can call the Secretary of State Department in Ottawa".

Today thousands and thousands of Canadians, many like this widow I am talking about, are calling the Secretary of State Department and getting a busy signal for the past two weeks. That is reality. We sit in this Chamber and debate a bill that is going to put off the payment of taxes by some of the wealthiest people in this country today, some people who do not pay the taxes that normal, ordinary Canadians pay.

I suggest to the Government of Canada that it withdraw this bill, saying it was a mistake. It should try to fix the Income Tax Act so that it is a progressive act and not a regressive act. It should try to defend the position of the people in this country who cannot afford to pay the over-burden of taxes that they have to pay today, so that people will put up with a government that has taken some terrible decisions in the past. This bill should be defeated.

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, my hon. friend earlier made a reference to the history lesson he would include in his speech concerning the MacEachen budget of 1980.

I wonder if the member would be so kind as to give us that lesson because that is really the only reason I hung around. As I recall the 1980 MacEachen budget, before it even left this House in the fall of 1980 it had 18 changes made to it by the government and in the course of the next two or three months several changes were made. They had to withdraw the whole budget.

As I recall, the deficit forecasts were exceeded by 250 per cent. They went from $12 billion to $26 billion in one year; just a small miscalculation.

I was sitting here on pins and needles. If the member wants to take additional time why not include the Lalonde budget as well? The SRTCs—

Mr. Blenkarn: Scientific research tax credit that he voted for.

Mr. Oberle: The scientific research tax credit that he voted for. Finance minister Lalonde was sitting over here and he said: "This will cost $100 million". When I inherited the portfolio, I had to clean up a $2.5 billion mess that they had just shovelled out.

• (1310)

I was travelling around the country visiting some of these people who had taken advantage of this fraud. One guy said to me: "Look, I want to be reasonable with you. If somebody invites you to the mint to look around and just to visit to see how money is made and while you are there he hands you a big garbage bag and a shovel and says help yourself, what would you do?"

Why do you not give my hon. friend just a minute to give us his version of that particular history lesson.

Mr. Baker: Madam Speaker, I presume there is unanimous consent to allow me to do this?

Mr. Siddon: On the MacEachen budget?

Mr. Baker: Let us start first with the scientific research tax credit. For those people who do not understand what the minister is talking about, let me say that it is commonly referred to as the quick flip. The quick flip was brought in in 1984. You will notice the year that I said, 1984.

Mr. Siddon: In the spring of 1984.

Mr. Baker: The hon. member who is now a member of the government sat in his place when the Department of Finance notified the Minister for International Trade, who at that time was the Minister of Finance, that there were problems. The finance department in fact had approved it so that was the way it worked.

For example, there was the idea of building miniature submarines in Mississauga or some place close to there. I think that was one of the ideas put forward. Another one was that you could send a message from Vancouver to St. John's, Newfoundland without plugging anything in the wall. If you had any kind of an idea, the way it was structured you could go to the tax department and the tax department would judge whether you were to be given a tax credit. Say that it was for $5 million but you had to pay half of it, 50 per cent.

The hon. gentleman asked for unanimous consent which he got for me to do this. You paid half of it. Then you found some other way of getting the other half. The person would go and get a loan. There was a transaction made in a lawyer's office with an accountant, a lawyer and the bank representative. The bank was making its money on the transaction. The lawyer was not making too much. They were not very smart in the beginning because they were only making something like 2 per cent. Then they caught up to the accountants who were claiming 10 per cent and that is the way it went.

A lot of these projects never got under way. For example, the one big project costing $30 million that was approved was to find out why black and white cows were different.

Mr. Siddon: $2.5 billion worth.

Mr. Baker: The hon. member keeps repeating $2.5 billion. Here is the point and the hon. member should listen to this so that he will understand it perfectly. This measure was brought in in 1984 to try to encourage scientific research.

An hon. member: By the Liberals.

Mr. Baker: The PCs took over in 1984. I thought the election was 1984. Finance told them there was a problem. The Minister of Finance stood up in the Chamber and said: "We have a problem here so we are going to grandfather it. We are not going to end it, we are going to grandfather it". The hon. member knows. He was the minister. That continued until the end of 1985. It was not $2.4 billion as the hon. member said. The most recent estimate is $3.2 billion. I will tell him the $2.6 billion of it was while he was the minister of the very department concerned. They grandfathered it. It was grandfathered for all of 1985 and finally in the month of January 1986 it came to an end.

• (1315)

I hope that answers the question on the scientific research tax credit program. I know it intimately. I was here and I remember it intimately too. I have been looking at the waste of the present government. It was the Tories who allowed $2.6 billion of the $3.2 billion that was lost under the program. They are totally responsible.

Let us get back to Mr. MacEachen's budget. Looking back on it, I think I know what the mistake was. The MacEachen budget looked at the Income Tax Act and who was not paying their fair share of taxes. It looked at the mechanisms that were used by tax lawyers and accountants. We have them in this Chamber.

Mr. MacEachen brought in a budget that closed all those loopholes. In my language, I suppose you could say that the mesh size of his net was perhaps a little bit too small. What happened? It was defeated all right. The NDP led the charge. Its members led the charge to the closing of the loopholes that had to do with all of those, I was going to use some tax terms, but nobody would understand them.

Anyway he looked at it and said: "Look, this is what is fair for all Canadians". Then the NDP, and the record shows it, led the charge to give the wealthiest Canadians their tax breaks. That is what was included in that budget supported by the Tories.

Lo and behold, we ended up with a revision of the Income Tax Act. I can assure the hon. member that as I stand in this Chamber today representing perhaps some of the poorest, not some of the poorest but certainly representing people who have a very low income on the coastline and people in the central part of Newfoundland who are finding it hard to make ends meet.

I can honestly say that I would support every single measure brought in by the MacEachen budget if it were reintroduced in the Chamber today.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I will be brief.

This certainly has been a breathtaking *tour de force* in historical revisionism when it comes to tax policy in this country. It should well be compulsory reading for students of that black art.

The member reflected on Liberal tax policy going to 1972 and this particular odious provision which opened the loopholes for the wealthy in contrast to his contention that it closed loopholes, a very interesting contention.

The 1974 Turner budget which I witnessed from the gallery because I was a candidate at that time was a tax measure that opened all kinds of new loopholes. Then there was the attempt by MacEachen to close those and the Liberals chickened out.

I was just wondering, should this country be so unfortunate as to enjoy the tenure of another majority Liberal government, would the current Liberal government continue the same tax policies and philosophy of taxation as previous governments?

Madam Deputy Speaker: Can we have a short answer from the hon. member? The time has expired.

Mr. Baker: Madam Speaker, I can tell the hon. member that it will be a priority of the new Liberal government to substantially revise tax policy in this country.

It will give adequate notice of any changes and seek the opinion of all groups affected. I would like to point out to the hon. member once again in closing that when his party talks about loopholes, it is not loopholes they are talking about. As I think I have mentioned in the House before, a loophole is defined as an unintentional error in the structure or design of the law. Most of what the NDP talks about is intentional change to the structure and design of the law. It is what the Auditor General should be investigating, that is tax expenditures. That is what the hon. gentleman is referring to.

• (1320)

The Liberal tax policy will be vastly different from the policy today. I can assure the honourable House and Canadian people that the number of people making over $250,000 a year who will be paying no income tax at all in this country is going to go down and not up like it is under this administration.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance.

Madam Deputy Speaker: Would there be unanimous consent of the House to call it 1.30 p.m.?

Some hon. members: Agreed.

[*Translation*]

Madam Deputy Speaker: It being 1.30 p.m., I do now leave the chair until two o'clock this afternoon.

At 1.21 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

RIGHT HON. BRIAN MULRONEY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, in light of yesterday's announcement by Prime Minister Brian Mulroney, I would like to say a personal thank you to him.

As a new MP from a part of Nova Scotia with lots of challenges, I appreciate that he has always been accessible and approachable. He has always addressed my concerns quickly and effectively. Whether the problem was a factory in trouble or just a request to call my daughter on her birthday because I could not be there, he always responded.

I am proud to be part of his government that made record strides on behalf of women, minorities, natives and the disabled.

I believe that some day he will be credited with anticipating the effects of globalization and for creating a successful strategy to prepare Canada for it.

I would like to say to the people of Cumberland—Colchester that we have been well served by Prime Minister Brian Mulroney. Personally, I am truly very grateful to him.

* * *

AGRICULTURE

Mrs. Christine Stewart (Northumberland): Mr. Speaker, the residents and constituents of Northumberland county wish the Prime Minister and the government had been as attentive to their needs.

Emergency assistance for cash croppers of corn and soybeans in my riding of Northumberland need help. Presently federally supported insurance programs have not provided the help needed. However, in today's estimates we see that instead of filling the program gaps we have further cuts to these programs.

In Northumberland county the weather conditions during the summer and fall of 1992 devastated corn and soybean crops. Approximately 80 per cent of the grain corn and 20 per cent of the soybean crops were not harvested. The direct income lost to county farmers is estimated at $7.8 million with spin-off economic losses of up to $78 million.

These farmers in Northumberland need help now. Some 16,000 people in my riding work in the agricultural sector. The government so far has failed not only to recognize the importance of their contribution to the economic health and security of Northumberland but the importance of the Canadian agricultural sector to Canada in general.

Estimates which cut back on agricultural sector funding cannot be supported.

* * *

[*Translation*]

RIGHT HON. PRIME MINISTER

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, yesterday my family and I were very sad to hear our leader's decision, but in politics there are often difficult choices and decisions to make.

Today, speaking on behalf of my constituents and on my own behalf, I wish to thank our Prime Minister for always being there when times were hard for the Abitibi region and for helping me deal with economic and social issues, always in the best interests of the people of our region.

I want to say how grateful I am for the exemplary courage and integrity he has shown since the electoral victory in September 1984. I want to express my admiration for both him and his family, and finally, I want to say that I appreciate the way he has defended the interests of Quebecers in Ottawa.

* * *

[*English*]

INTERNATIONAL CRIMINAL COURT

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, last April and last December in this House I called for the establishment of an international criminal court which would initially serve as an *ad hoc* tribunal to try war crimes in the former Yugoslavia.

Just this week the Security Council of the United Nations decided as follows: "An international tribunal shall be established for the prosecution of persons responsible for serious violations of international humanitarian law committed in the territory of the former Yugoslavia since 1991".

This is a significant step forward for the world. I would like to congratulate the MPs from Parliamentarians for Global Action and MPs from all around the world who lobbied their governments for support. This is a unique effort.

In three weeks from now Simon Fraser University and the University of British Columbia with The International Centre for Criminal Law and Criminal Justice Policy will bring experts together in Vancouver, B.C. to put some meat on the Security Council proposal.

The next step is a permanent international criminal court so that we have in place a body that will help deter future crimes against humanity.

Finally I would like to thank the minister of external affairs and her officials for their support in this matter.

* * *

VICTORIA CROSS

Mr. Doug Fee (Red Deer): Mr. Speaker, I know that you and all members of this House and the many Canadians who supported my private member's bill calling for the restoration of the Victoria Cross will share my pleasure today.

This morning I had the honour to announce on behalf of the Prime Minister that Her Majesty has signed letters patent adding three military medals to the Canadian honours and awards system.

The decorations for which members of the Canadian forces will now be eligible were formally approved by Queen Elizabeth on February 2. They include in ascending order, the medal and star of military valour and the Victoria Cross will be the premier award for military bravery in the Canadian award system.

• (1405)

I appreciate the Prime Minister acknowledging my role by allowing me to make this announcement.

I want to thank members on all sides of this House for their support and their encouragement. It is gratifying as a private member to know that you can have an impact on such a significant decision.

SMALL BUSINESS

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, a recent study shows that almost two thirds of Canadians would start their own businesses if it were possible.

The biggest impediment to becoming self-employed in Canada today is lack of available funds from lending institutions. Additional studies predict that the job opportunities of the future are more likely to be with small companies rather than with megaprojects or the multinationals.

When is the government going to address the problem of lack of working capital for new and small business men and women so that small business entrepreneurs can help in a meaningful way to make taxpayers out of Canada's 1.5 million unemployed?

* * *

GALA FOR CHILD POVERTY

Ms. Barbara Greene (Don Valley North): Mr. Speaker, today's child is tomorrow's hope. We all have a special responsibility to children to ensure that their lives are as full of health, security and opportunity as possible.

As chair of the subcommittee on poverty, I would like to commend the Fund for a New Generation, a group of young leaders from Ottawa's public, private and university sectors who have organized the Gala for Child Poverty to be held on February 27, 1993. You, Mr. Speaker, are honorary co-chair of this event which hopes to raise over $10,000 for programs designed to help disadvantaged children.

The communal meal and early education programs to be assisted can help children to obtain not only good nutrition habits but also can address the social and sensory deprivation frequently experienced by poor children.

If parents are involved and contribute, it helps to achieve the dignity and sense of control important to well-being. Helping children means a better future for us all.

* * *

GALA FOR CHILD POVERTY

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, on November 24, 1989 this House unanimously passed a resolution expressing concern for more than one million Canadian children living in poverty and setting the goal of eliminating child poverty by the year 2000.

How well are we doing here in our nation's capital? Little has changed. In Ottawa-Carleton alone, the Ottawa Food Bank reported that of the 29,000 people it assists each month close to half are children. Shepherds of Good Hope saw on average over 1,000 children a month, an average of 60 per day. Research from the Community Foundation of Ottawa-Carleton shows us that at least 19,000 children are living in poverty in Ottawa-Carleton.

The Fund for a New Generation is a group of young leaders from the public, private and university sectors determined to bring hope to Ottawa's poor children. On Saturday, February 27 it is holding the Gala for Child Poverty to raise money at the World Exchange Plaza for the Ottawa-Carleton child poverty fund. The goal this year is $10,000 for breakfast for children, the Collective Kitchens Program and the Headstart Nurseries Program, all designed to assist disadvantaged children.

I commend these young people for their initiative and hope that it serves as an example of what we can do together to improve our children's future.

* * *

EDUCATION

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, Canada needs voluntary national standardized testing in education.

A recent Angus Reid poll found that less than 20 per cent of Canadians believe Canada's education system is doing a good job. The same poll revealed that 76 per cent of Canadians would support standardized testing in our education system.

Canada spends one of the world's highest proportions of GDP on education. The Economic Council of Canada ranked us 11th out of 18 countries in education. In another study, Canada placed third for percentage of GNP spend on education.

However, our students came in only ninth in math and science testing. These results give Canadians reason to worry about the effectiveness of our education system. Standardized testing has been proposed by provincial education ministers but not all of the provinces will carry out the tests.

I call on the federal government to take the lead in this area. Although education is a provincial responsibility, the federal government can help to evaluate the results of our education system nation-wide. With national standards, all concerned can work together to develop an education system which prepares our youth for the challenges of tomorrow.

* * *

• (1410)

PEARSON INTERNATIONAL AIRPORT

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, for nearly two years residents near Pearson International Airport have hinged their hopes for protection against even more aircraft noise on the report of this government's environmental assessment panel.

This report recommended that residents be compensated for the cost of aircraft noise and that the proposed north-south runway not be built because its meagre benefits would be far outweighed by the social impact on area residents.

The government's new runways will be paved with devalued homes. This report flew right over the head of the Minister of Transport. His government has turned a deaf ear to the noise concerns raised by its own panel and has left residents in the dark about restrictions on the airport's fly-by-night operations.

More aircraft noise will land on area homes but residents have been told to take off.

The Tories should stop wasting taxpayers' money on environmental panels if they are not going to pay any attention to the results.

* * *

GASOLINE TAX

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, last week's announcement by the President of the United States of a proposed BTU tax represents good news for the communities along the Canada-U.S. border. These communities, like my riding of Sarnia—Lambton, are still feeling the pinch from cross-border purchases of gasoline in particular.

It has been reported that this energy tax could raise the price of U.S. gasoline for Canadian cross-border purchasers by a substantial amount. As such this measure would lower the Canada-U.S. gas price differential and help make it less attractive to cross-border shoppers.

However, I rise today to insist that the governments on this side of the border not move to squelch this positive news. It is not time for the federal government nor the province of Ontario to think that we now have room to increase gasoline taxes.

A proposed increase in U.S. gasoline taxes will help take some of the lustre off the lower American gasoline prices so let us leave it that way.

* * *

GRAMMY AWARDS

Mr. Ross Harvey (Edmonton East): Mr. Speaker, k.d. lang has done it again. Along with Céline Dion, *la chanteuse merveilleuse du Québec*, Alberta's queen of country pop has been granted the most prestigious award in western popular music, the American Grammy.

Both lang and Dion richly deserve their respective awards. Lang won best female pop vocalist for her single *Constant Craving* and best pop performance by a duo was won by Dion for her work on the duet *Beauty and the Beast*.

These triumphs were further augmented by Grammy awards to other outstanding Canadian artists Rob McConnell, Walter Ostanek and Daniel Lanois. Truly Canadian artists rank with the best in the world.

All Canadians are wonderfully grateful for the enrichment these artists bring to our lives with their work. All Canadians are wonderfully proud of their tremendous accomplishments and international recognition.

Well done, k.d. Bravo, Céline. Congratulations, Rob, Walter and Daniel. You bring joy and honour to Canada.

[*Translation*]

SAINT-HYACINTHE DISTRICT CHAMBER OF COMMERCE

Hon. Andrée Champagne (Saint-Hyacinthe—Bagot): Mr. Speaker, yesterday, February 24, the Chamber of Commerce of Saint-Hyacinthe district celebrated its centenary. Over the years it has become a dynamic, prestigious, and influential organization. It was instrumental in creating the economic and industrial development corporation, the tourism and convention office and the MERCI evenings dedicated to recognizing the business persons of the year.

According to the president of the chamber, lawyer Guy Cordeau, the centenary festivities will pay tribute to those who built the organization and their achievements. The theme—100 years of commitment—conveys the chamber's history but also indicates a new focus on innovation and renewal.

I am proud to be among the 600 active members of our Chamber of Commerce. This year we commemorate our past and we will continue to strive to successfully meet the challenges of the 21st century.

Mr. Speaker, I thank hon. members for letting their Deputy Speaker rise in her seat on this historic occasion in the life of the community where she was born and which she represents in this House.

* * *

[*English*]

SMALL BUSINESS

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, the Minister of Communications admitted yesterday that he and his cabinet colleagues have to get off the backs of small businesses. This is after nine years of Conservative government neglect in this vital sector of the Canadian economy.

Small businesses will have few regrets at the departure of Prime Minister Mulroney. Although the Conservative government does not realize it, most other Canadians understand the importance of small business to our country. It is the backbone of our economy.

These businesses have been badly hurt by this Conservative government. Tens of thousands of small businesses have gone bankrupt or closed in recent years. Free trade, the GST, deregulation, high interest rates, the high dollar and savage restriction by the banking system have all contributed to killing entrepreneurship in Canada. These hard working Canadians need assistance now.

• (1415)

We all know that in order to help small businesses we will have to do more than change the Tory leadership. We will have to change the government.

* * *

JUSTICE

Mr. Bill Domm (Peterborough): Mr. Speaker, over the past 90 days I have received petitions and letters from over 6,000 citizens regarding our justice system, particularly the way in which we deal with violent criminals and dangerous sexual offenders.

They wish to see our current laws amended to ensure that such offenders are not released into any community when they may pose a threat. They call upon the government to enact legislation to see that this is accomplished.

I have long been a supporter of stiffer sentences for those who choose to commit crimes. I believe that as parliamentarians we have been given the responsibility to review the negative impact of these offenders on our society and to act accordingly.

To paraphrase my constituents, the time has come for us to protect the rights of victims of violent crime rather than those who commit it.

* * *

LEADERSHIP CAMPAIGNS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, at long last the Prime Minister has announced that he is stepping down and the Tories will now hold a leadership convention.

In 1989 the member for Comox—Alberni presented a motion that was debated and passed unanimously in this House. The motion read as follows:

That, in the opinion of this House, the government should consider establishing spending limits and strict rules of disclosure listing all campaign contributions by source and amount for all Canadian political party leadership races.

I hope the powers that be in the Tory party will remember that in Canada political parties are partly supported by public money through the income tax system. Therefore the Tories are morally obligated to impose spending limits on their leadership candidates.

At our leadership convention the New Democrats voluntarily set candidate spending limits of $150,000. Moreover, we did not issue tax receipts for contributions to the leadership candidates' campaigns. The winner, the hon. member for Yukon, spent $129,000 to become leader of a national party.

By all means the Tories should avoid the hideous example set by the Liberals for their 1990 leadership race where candidates were allowed to spend $1.7 million subsdized by the taxpayer.

ORAL QUESTION PERIOD

[*English*]

MAIN ESTIMATES

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of National Defence.

Last July when the EH-101 military helicopter program was announced we were told that the total cost was to be $4.4 billion. Today in the estimates we have learned that the total cost will be $5.8 billion or $1.4 billion more than before.

Why is the government persisting in implementing this impossibly expensive program that is not a priority for Canadians at all?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, first of all I would like to know whether in fact $4.5 billion is okay with the hon. Leader of the Opposition. Is he against it completely? Are we talking numbers here or are we talking philosophy?

The hon. Leader of the Opposition will know that in fact the cost of this procurement purchase is $4.5 billion, but it is a program that goes over 13 years. Unfortunately the requirements of public accounting require the Government of Canada, as he knows as a former President of the Treasury Board, to make a budgetary allowance for possible inflation.

If there is no inflation over the period of the project and if there are no significant shifts in currency fluctuations, in fact the final cost will come in at $4.5 billion. But the accounting requirements of the Government of Canada require us to make allowance for possible inflation so that we do not wind up having overruns in the cost of these projects and get into the kind of fiscal pickle the hon. member and his government got us into without good accounting requirements.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, when the program was announced last July, this additional cost of $1.4 billion was not mentioned. When the contracts were signed in October, it was not mentioned. Two weeks ago, when Liberal members received a government briefing, it was not mentioned.

Why were Canadians not told the whole truth? Why does the government persist in this absolutely unnecessary spending when there are so many problems in Canada?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, it is not an unnecessary expense; it is very important for our Canadian forces. The reason we have the estimates is to show Canadians what our projects actually cost.

We have to make allowance for possible fluctuation in interest rates. We cannot predict exactly where interest rates will be in the future, but we must make those allowances to protect Canadians against unforseen expenditures. That is the purpose of this process of tabling the Main Estimates in the House of Commons.

• (1420)

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask the minister why, when she was Minister of Justice, she opposed the program and today she defends the program.

Canadians do not want this program. The Americans have decided not to go into this expensive system, this Cadillac system we do not need now that the cold war is over. The minister, who I hope would like to have a new approach to politics, should realize that we are not in the cold war any more and we need that money for Canadian problems right away.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, it is not true that when I was Minister of Justice I opposed this project.

Some hon. members: Oh, oh.

Ms. Campbell (Vancouver Centre): I think hon. members have an enormous difficulty with candour in government. As a participant in the process of developing government expenditure restraint guidelines I asked questions about this project. I was extremely satisfied with the justification given for this project, which is why when I became Minister of National Defence I was so comfortable defending the project and so quick to attack that hon. member for criticizing it and committing himself not to spend the money.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is also for the Minister of National Defence.

The estimates show that funds for the Atlantic Canada Opportunities Agency have been cut. Funds for the Western Diversification Program in the minister's own region have been cut. Funds for health and funds for social housing have been cut, yet there is $5.8 billion for Cadillac helicopters.

I want to ask the minister whether or not she agrees. If she were to take herself and her ambitions seriously and see them soar, perhaps it is time to take herself and these helicopters back down to earth and cancel this extravagant program.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I would point out that funds for the Department of National Defence have also been cut in these estimates. All departments have participated.

I would like to make sure that Canada has the capability in the long run—not over five years but over forty years—to patrol the area of that hon. member's constituency, to be able to patrol our fisheries and to be able to guard our coast. These helicopters, far from being Cadillac helicopters, are simply technology of the nineties. Right now, in the words of our own military, we have technology of the fifties built in the sixties.

I think Canadians deserve the technology of the nineties to serve them into the 21st century.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the only cuts in the Department of National Defence are the wages of the men and women of that department that have been frozen by this minister.

[*Translation*]

If the minister is a serious candidate for the leadership of her party, she should start paying attention to the 50,000 people who marched in the streets of Montreal and who know the country has more important priorities than spending $5.8 billion on helicopters.

What are the minister's priorities: outrageously expensive helicopters or Canada's unemployed?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, these helicopter contracts will create 45,000 person-years of work for Canadians, especially in industries that are important for our future and that are on the leading edge in terms of knowledge, technology, computers and so forth.

I feel it is important to support these industries. If we cancel the contracts, it will mean a loss for Canadian industry, not just a loss of search-and-rescue capability.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister.

According to the government's estimates today it is clear that Canadians who are suffering from unemployment should be going to retraining. According to this government's priorities they should either go for retraining in spy school, judges school, helicopter pilot school or space school, because these are the priorities the government sees and they are the only growth industries that the government sees. For everybody else, it is off to the unemployment line because there is nothing in the estimates to create jobs.

• (1425)

Will the Deputy Prime Minister seriously look at creating jobs in this country, not just jobs for more judges and higher salaries for judges and more spies for Canada but jobs for people throughout this country in every region, and attack unemployment now?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Yes, indeed, Mr. Speaker, and yes, we are. The economic statement outlined a number of initiatives to enhance the small business sector which has generated 80 per cent of the jobs over the last 10 years in this country.

Investments and further enhancements in research and development, further investments in training and skills upgrading, and investments in infrastructure to improve the competitiveness and the productivity of our country, in addition to the 161,000 jobs created since August of last year, are good indicators of what we see occurring.

All the economic indicators with respect to growth in the GDP, housing starts, retail sales, investments and export sales are leading in the right direction. Those are the indicators that reflect the buoyancy of the economy that is occurring. It is not as robust as we would like, but we are also going through a restructuring and adjustment process which the economic statement tried to deal with in terms of facilitating that adjustment for people and for industry.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question. The minister says that we are going in the right direction. The direction for most Canadians is still the unemployment line.

In the estimates the minister says that he is looking at adjustment programs. In fact this government has cut funding for the Program for Older Workers' Adjustment. How is that increasing adjustment for Canadians?

The government in these estimates has cut regional economic development. That is certainly not increasing jobs. The government has cut funding for farmers, for young people, for aboriginal peoples, for aboriginal groups, for older workers and for retirees. All these programs provide not only jobs but an infrastructure in a community to support those volunteers.

Having chosen these priorities and yet spending $5.8 billion on helicopters, will the government stop spending money on attack helicopters and attack unemployment instead? That is where the priority should be.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, we do not see how we can spend $100 billion over five years and reduce the deficit by $8 billion or $10 billion as the hon. Leader of the New Democratic Party has suggested. That kind of economic nonsense is laughable.

We are trying to invest in people through enhancements in the training program; $3.8 billion is being spent on training. We are encouraging the private sector to become involved more in training. We are encouraging the small business sector to create new jobs. We have advanced on an infrastructure program that is not the $15 billion or $25 billion program the hon. member has suggested.

I say to the hon. member in all sincerity that the economic program she released last week is laughed at around the world. It does not make economic sense. It certainly does not make fiscal sense.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it is interesting to me that when a political party brings out a job plan that will create jobs in this country and reduce the deficit, this minister feels it is laughable.

This is a government that has discouraged more Canadians in the employment market and discouraged more Canadians in every region of this country who have lost hope than any other government before it. This minister should be ashamed of what he is setting out.

[*Translation*]

Even worse, although according to the government these helicopters would be less expensive to maintain, they will cost $33 million more annually in operating costs than those we have now. Just imagine what the government could do, all the programs it could finance.

Why does the government not drop this crazy helicopter program?

• (1430)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the recipe that the hon. member outlined in her statement last week would result in a bigger deficit, higher inflation, higher interest rates, less investment and fewer jobs created.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister who just indicated he is concerned with deficits. The COSICS, now SIGNET, system computer contract, which was originally to cost $111 million for external affairs has now jumped to $208 million. Today in the estimates it is $224 million.

I want to ask the Deputy Prime Minister, who just indicated how interested he is in cost reduction, how he can continue to pour money into a scandal plagued scheme that costs $224 million and does not even work? How can he do this?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, in the absence of the Minister of Supply and Services and as a former Minister of Supply and Services, I do not for one moment accept the preamble of the hon. member's question.

The facts speak for themselves. Tenders are always very open, very clear cut and allow businesses to compete evenly and fairly. It is my understanding that this contract is being applied according to normal procedures and regulations.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I will let the courts decide on that part of the answer of the minister.

[*Translation*]

My supplementary is directed to the Deputy Prime Minister who said he wanted to cut the fat out of government spending. Today, we have the example of a contract which costs $224 million, and although experts have said the system is already obsolete and does not work, the government continues to spend money on the project.

How can the government, in good conscience, spend and waste taxpayers' money in this way?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I disagree entirely with what the hon. member just said. First of all, the COSICS program is over. We are now in a new communications phase, called SIGNET, and everything is proceeding satisfactorily.

[*English*]

SEXUAL HARASSMENT

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the President of Treasury Board.

On several previous occasions I have asked this minister to look into incidents of sexual harassment in the Public Service in Halifax. The minister responded that as an investigation was under way, his hands were tied.

The final report has now been released. Sexual harassment was found and it was also found that management did not correct matters. Why is the minister refusing to take the necessary steps to correct this horrible situation?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to tell the hon. member that we are indeed looking at that and the Public Service is taking the proper action.

Ms. Mary Clancy (Halifax): Mr. Speaker, Treasury Board guidelines state: "Harassment is an offence subject to disciplinary measures up to and including discharge".

Again, the report found the offences, including retaliation. Nothing has been done. A single mother has been thrown out of work and a mother of two small children has been thrown out of work. Nothing has happened to the perpetrators. Why will the minister not move to discipline the offenders?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, we are dealing here with the Public Service Commission. As the President of the Treasury Board, I have to deal with this matter with some care because the Public Service Commission, as the hon. member knows, is awaiting the final report of its appeal investigation branch. They are still awaiting it and they will be acting upon that report.

* * *

ABORIGINAL ECONOMY

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, my question is for the minister of Indian affairs. In a letter written before Christmas, the Prime Minister set the goal of doubling aboriginal businesses over the decade from 5,000 to 10,000 businesses.

How can the government keep that promise when the minister has slashed his department's economic development programs by almost $21 million in the current estimates and an additional $6 million from the aboriginal economic strategy in ISTC? Does the minister not understand the connection between cutting economic development programs that encourage employment and self-sufficiency and the $52 million increase in his department's projected welfare budget which will increase dependency?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, this year the Government of Canada will provide through the three departments almost $350 million of assistance to economic development on behalf of aboriginal people. As well, the over-all budget of my department has grown more rapidly than that of any other department in the last eight years. This year it will increase by $350 million, if we include the northern program.

• (1435)

This year we will be spending over $1 billion on education for the first time in the history of this country, all of which indicates that in terms of the health and social well-being of aboriginal peoples, this government has been more forthcoming and more beneficial in assistance to aboriginal peoples than any government in the history of Canada.

* * *

REGIONAL DEVELOPMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the economic recession has hit all parts of Canada very hard, so we are pleased to see regional development help for Quebec increase by some $40 million in these estimates.

My question for the government is this: Why has this government at the same time cut regional funds by $36 million for Atlantic Canada, northern Ontario and the west? Does the government not realize that increases for Quebec and cuts for every other part of the country harms national unity very badly?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, it would if it were true. I would like to tell the hon. member that we are comparing names on mains. Last year when the number was established a series of agreements with Quebec had not come to fruition so they could not be put in the Main Estimates. Therefore, when he compares the numbers he is not comparing the right numbers at all. I could list the agreements: Montreal Development Fund was not ready for the last Main Estimates so they were not included, nor was the Canada-Quebec Industrial IRDA, so all regional development funds including Quebec were cut by the same amount.

* * *

PEACEKEEPING

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I would like to ask the Minister of National Defence why our peacekeeping operations have doubled, yet our financial resources allocated to it in the last year have increased by only 30 per cent?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, we are paying our peacekeeping bills. I am sorry if the hon. member is disappointed that we are not over-paying them. However, the amount of money in the budget is the amount of money it costs us and that is what we are spending.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, that is not an answer.

The Secretary of State for External Affairs in her testimony last week said that peacekeeping had overloaded our personnel resources. The estimates show that our financial resources to the rest of the Canadian forces in operations and maintenance have had to be cut severely in order to cope with the peacekeeping operations.

The point is and the question I would like to ask the minister is whether the government is going to continue to commit our forces to every peace operation, no matter what the size, no matter what the scope, no matter what the risk, no matter what the cost, without prior consultation in Parliament or is it going to show some balanced perspective in how we commit our young men and women abroad?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, no, the Government of Canada will not continue to commit our forces, our resources, to peacekeeping without careful consultation on what our resources are and what we can afford to do in the context of our other defence priorities and what we can afford fiscally.

Peacekeeping cost $171 million in 1992-93 and $226 million was budgeted in the 1993-94 incremental costs. In addition, the Department of External Affairs is paying an additional $7 million this year as part of our assessed cost of peacekeeping operations. We pay that whether we participate or not.

The hon. member knows that costing peacekeeping is much more complex than he is suggesting. Many of the costs are ones we incurred already in terms of having people on salary and some costs are incremental.

As I have said, we continue to pay our bills and we continue to evaluate our peacekeeping resources in terms of the size of our Armed Forces, the equipment we have and the ability to sustain those incremental costs.

* * *

[*Translation*]

MAIN ESTIMATES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the government is ready to spend billions of dollars to buy military helicopters for a country with no known enemies, as far as I know, and in its budget estimates, this same government is cutting the budget of the Department of the Secretary of State by some 13.7 per cent for promotion of official languages and by 11.3 per cent for education in the official languages in our schools.

My question is for the Secretary of State. How does the minister intend to respect her obligations to the provinces, individuals, families and official language minority groups with reduced budgets? Do our children not come before weapons?

Hon. Monique Landry (Secretary of State of Canada): Mr. Speaker, I know how interested my hon. colleague is in promoting official languages and of course the support we give our official language minorities in education or in the community. Since it took power, this government has done much in recognizing and supporting official language communities. My colleague surely knows that we passed the Official Languages Act and since then other measures have been put in place to support school management in French-speaking communities, for example. I think there is a way within the budget restrictions to continue to support the communities and provinces so that we can help the communities really develop a complete learning program in their minority language.

• (1440)

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the former minister, the hon. member for Berthier—Montcalm, promised official language minority groups the funds to manage their own schools and to have their own post-secondary institutions.

When will the minister follow up on this promise? When will the government put its money where its mouth is?

[*Translation*]

Hon. Monique Landry (Secretary of State of Canada): Mr. Speaker, my colleague has just given me an opportunity to mention what has already been done in the area of school management. I recognize the importance of supporting the communities so they can develop an appropriate education by managing their own schools. An example I would like to give the hon. member, who is from Ontario, is that in 1990, we signed an agreement with the Government of Ontario to support the development of community colleges with $50 million. I think we have already given tangible evidence of our commitment and I am sure that we can follow up with other important projects in the near future.

* * *

TRADE

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, in the absence of the Minister for International Trade, my question is for the Minister of Finance. The government assured this House last week that it intended to begin negotiations with Mexico and the United States to set environmental and wage standards for the North American free trade agreement.

With such low salaries, one ninth of ours, the Mexicans can threaten jobs in Canada, as the minister knows better than anyone.

I therefore ask the government to tell us what guarantees Canada will demand in this area and how the government will try to put them in the parallel accords?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to say to the hon. member that salaries have been lower in Mexico for many years and I do not see Canada invaded by Mexican products. The products on our markets come from high-wage countries like those of the European Community, especially Germany, and the United States. The problem he raises is not a real one in that an economy with such low wages is weak. Through trade, we must help them develop their economy. They are building an infrastructure of roads, hospitals and communications facilities and that is what we can sell them. The free trade agreement will give us access to that market.

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, we see clearly once again that the government is trying to use empty rhetoric to hide the reality that is hitting us. The reality is that Canadian and foreign investors will be attracted to invest and manufacture in Mexico where salaries are one ninth of ours. I think that this government owes it to Canadians and Quebecers to tell us what it will do to protect these jobs. I ask the minister to tell us why he is not making the commitment to submit his objectives in negotiating these parallel accords to public consultation with the provincial governments.

[*English*]

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, we should listen to what some Europeans are saying about this particular arrangement. The NAFTA agreement, according to recent European studies, should open new markets in Mexico for Canadian-based companies, but also new markets in Canada for Mexican-based companies.

• (1445)

They point out, and I quote from *The Financial Post*, February 17: "Productivity in Mexico is one-tenth lower than it is in Canada in most industries. It can take up to 200 workers to produce what 20 in Canada can do. Mexico's labour turnover was much higher, education levels lower, the work ethic poor. It isn't easy to produce there efficiently". This is a European speaking.

It is probably not fair to say that is true with all Mexican labour, but our productivity is higher. This is why they are looking at Canada.

* * *

IMMIGRATION

Mr. John Reimer (Kitchener): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Canadians resent being taken advantage of by those few visitors, refugees or landed immigrants who come to Canada and then commit serious crimes here.

Can the minister tell the House and all Canadians that criminals convicted of a serious offence, such as drug trafficking, upon serving their sentence will immediately, in fact on the same day, be deported to their country of origin regardless of the possible consequences in that country?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, as the hon. member knows, we have introduced and passed in this House and it has now become law, amendments to the Immigration Act. Those measures were intended to protect Canadian citizens against individuals whose admission would be contrary to the best interest of this country.

The amendments relating for example to criminality and security allow us to effectively turn back or deport rapidly individuals who clearly pose a threat to our communities, but who have no record of criminal conviction. We now have a law that expands the inadmissibility provisions in the area of criminality and threats to national security.

I think that when these are implemented they will greatly improve the security of Canadians.

* * *

TELESAT

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is for the Minister of Communications.

Last year the government sold Telesat, Canada's space based telecommunications carrier, to a consortium of telecoms. At the time the minister proudly boasted, and I will quote from committee records: "The sale was completely in the interests of the public and certainly meets the test of my own department's telecommunications policy".

I would like to ask the minister if he is aware that Telesat's new owners are now poised to gut the company's marketing arm, to take it out of the picture as a competitor and throw up to 400 Telesat employees out on the street?

Does the minister support feeding Telesat to the lions as government policy and does he suggest that the loss of up to 400 Canadian jobs is in the public's interest?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, the NDP still clings to the outdated notion that the best way to provide services in telecommunications is for the government to own them.

I have just come back from Vancouver at Intercomm 93. I can tell the hon. member that throughout the world, governments are turning to the private sector to provide these services because the private sector can provide them more efficiently, more effectively and at a lower cost to consumers.

Only the NDP would continue to drive into the future with their eyes focused firmly on the rearview mirror.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, a supplementary for the Minister of National Revenue.

Telesat was sold to its new owners for $154.8 million. At the time of the sale Telesat held approximately $350 million in tax credits, known in the industry as tax loss carry forward.

Will the minister confirm that part of Telesat's restructuring plan involves an application to his ministry to allow $350 million in tax credits to be transferred to the new owners and applied to their profits? Does he recognize that if he allows it to proceed, the government will allow Canada's major telecoms to recover the full cost of their purchase, to throw 400 Canadian workers out of work and to pocket no less than a cool $200 million of taxpayers' money as a thanks for their efforts?

Will the minister do something to stop this unprecedented sell-out of the Canadian taxpayer?

• (1450)

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, it is obvious that the New Democrats have nothing better to ask so they are fishing. However, they are fishing in the wrong pond.

The question that the hon. member asks is totally hypothetical. Under the provisions of the Income Tax Act, it would be inappropriate for me to give out specific information.

Some hon. members: Oh, oh.

Mr. Jelinek: I can confirm—

Some hon. members: Oh, oh.

Mr. Jelinek: Do you want to hear the answer, or do you want to just keep on yapping?

I can confirm that Telesat has come to Revenue Canada to ask for an advanced ruling. This advanced ruling is being looked at under the provisions of the Income Tax Act, under the normal, regular, fair provisions of the Income Tax Act. Once a decision is made, it will be made public.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the person answering for the Minister of Transport.

I was wondering if the government could advise the House why it went ahead with a very expensive environmental review process at Pearson International Airport when it knew that if the environmental process was against the government, it would go ahead regardless of the cost of the environmental review process.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, we certainly did not ignore the advice of the panel.

It provided the government with useful input into our decision-making process. It is, however, the responsibility of the government ultimately to make the final decision.

We have incorporated many of the concerns of the panel, on the environmental aspects and impact. I would like to quote from the report: "The impact of the proposal on the natural environment would be at most marginal and mainly temporary". The longer term effect in fact proved to be less harmful than the present situation.

We had to reject the recommendations of the north–south runway for safety reasons and will not be proceeding with the east–west parallel runways until capacity requires it.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the Minister for International Trade said yesterday that the three accords proposed by the United States "will not change the substance of the North American free trade agreement in any way".

President Clinton has refused to introduce NAFTA legislation until the accords have been negotiated. Clearly the accords which the Canadian government regards as unimportant are being treated as very important by the United States. They are being treated as so important in fact that the United States will not implement NAFTA until it has its three accords.

Could the minister explain why the government is rushing ahead today with an agreement whose operation will be profoundly affected by the demands of the new U.S. administration for parallel accords?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, when we talk about rushing, in fact what is happening is that President Clinton and the U.S. administration is catching up to Canada.

We proposed changes to the environmental framework and the labour framework over a year ago. The United States is just catching up to requests that we have made.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister answers in that fashion today whereas yesterday the minister of trade said: "I do not know what the Americans have in mind by their proposals". Which is it?

Does the minister know what the Americans are proposing? Did the minister for trade yesterday have a different impression and now does not know what the Americans are proposing? If the government does not know what the Americans are proposing, as the minister said yesterday, can this minister at least tell Canadians what this government wants?

I want to know from the minister, is the government simply prepared to accept whatever the United States puts forward in the parallel accords or will it now tell Canadians what its own objectives are in the parallel accords?

• (1455)

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, the government is not going to just accept what the Americans want to do in a parallel accord. That is for further discussion.

I am glad that we have finally got them to talk about things such as environmental protection, where we have taken the lead. I am glad that we finally got them to talk about certain labour standards, where we took the lead over a year ago.

The hon. member wants to know our objectives in NAFTA. Our objectives in NAFTA are as follows: We want to increase our access to the Mexican market; to improve still further our access to the U.S. market; and we want to make sure that the provisions of the FTA which have been so effective for Canada are extended to all of North America.

* * *

[*Translation*]

FRANCOPHONE COLLEGES

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my question is directed to the Secretary of State. Last June, the Ontario Minister of Colleges and Universities confirmed that his government would pay part of the cost of establishing a francophone college in northern Ontario. Nearly three years ago, the federal government made a similar commitment, but francophones are still waiting.

Could the minister explain the reasons for this delay, which by now has become unacceptable, and tell people in northern Ontario what the government's intentions are in this respect?

Hon. Monique Landry (Secretary of State of Canada): Mr. Speaker, I want to thank the hon. member for giving me notice of his question, and I am aware of his interest in a matter that is so important to the minority communities in his region.

Of course, as I said earlier to his colleague, this government recognizes the importance of education for minority communities. We have already done a great deal in this respect, and I am thinking of one example where we financed an initial envelope with the Government of Ontario, which made it possible to proceed with the *Cité collégiale* here in the Ottawa area. I can assure him that this particular issue is one of my priorities.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, the Secretary of State referred to Ottawa's *Cité collégiale*. There are rumours that funds earmarked for a francophone college in Northern Ontario were diverted to the *Cité collégiale* in Ottawa, which is crowded with students from northern Ontario.

Could the minister deny this rumour and confirm to the House and to francophones in northern Ontario that a decision will be made about our college before dealing with the problems of the Ottawa *Cité collégiale*?

Hon. Monique Landry (Secretary of State of Canada): Mr. Speaker, the hon. member must realize that establishing colleges is in provincial jurisdiction. In fact, Ontario now has a new Minister of Education who I hope to meet very shortly, so that we can decide what to do about Ontario's colleges. I am confident that with the investments made so far, we can proceed to meet our commitments in this respect, but with the Government of Ontario. I would urge the hon. member to put some pressure on his colleagues at Queen's Park as well.

* * *

[*English*]

PRIME MINISTERIAL APPOINTMENTS

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, recently there has been a surge in patronage appointments and a lot more are coming. There are 28 judges, 11 senators, and we understand from the Privy Council Office that a number of appointments are going to be announced tomorrow, I guess in the hope that nobody is going to notice.

My question for the Deputy Prime Minister is this. Would he not table those appointments today? Is it the intention of the government to break the Liberal record of 1984 of 229 patronage appointments in one month in order to prevent the next prime minister from having to say "I had no choice"?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Is the hon. member worried about his application, or has he not yet got it in?

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, with that weird answer I suppose I am able to go on.

In his role as the finance minister the hon. member said that funding will be increased for the highly successful industrial research assistance program. My question to him is why did he not keep that promise; why did he leave the IRAP funding where it was before and where it has been for the last two years, without an additional penny?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): I think my hon. friend is going to regret that he asked that question. Here is what has happened.

• (1500)

An hon. member: Today they have to regret every question they ask.

Mr. Hockin: In the estimates tabled by my colleague this morning, there is an increase of over $14 million for science and technology.

* * *

SEXUAL OFFENDERS

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, *The Globe and Mail* reported on Tuesday that the Solicitor General had cut funding in Ontario for programs that treat sexual offenders. I understand that a reallocation of funds will occur in the next few months.

I and many Canadians are concerned about cuts to these programs. I ask the Solicitor General if he will assure Canadians that treatment programs for sexual offenders will continue to be a high priority for his department and will not be subject to funding cuts.

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, I am glad to take this question on behalf of the Solicitor General who is out of the House on business.

There will be no cuts in funding for sex offender treatment programs for 1993–94. Indeed, treatment programs in Ontario will be expanded to offer additional programs such as relapse prevention programs at Frontenac, Beaver Creek and Pittsburgh Institutions and Portsmouth Community Correctional Centre. All four programs are expected to be operational by April of 1993.

Mr. Speaker: I wish to advise the House that notice has been brought to me that members would like to rise and pay tribute to our deceased colleague, Chuck Cook.

* * *

THE LATE CHUCK COOK

Mr. Jim Hawkes (Calgary West): Mr. Speaker, in my close to 14 years in this Chamber, this is the first time I have risen on an occasion like this. I do so with a sense of sadness and yet a sense of anticipation.

Chuck Cook has been a good friend of mine since 1961. For most of us, the friends we encounter in this Chamber are people who we encounter upon our arrival in the Chamber or maybe slightly before. It is unusual that you have a friendship that goes back so far.

Charles Henry Cook was the director of the School of Business Administration at Mount Royal College, the United Church college in Calgary, Alberta in 1961 when I arrived as the director of student affairs. I used to tease him a little. He was a bit older than I was and he seemed to me at that point in my life a little bit wiser than I was and that was probably true. He had a law degree and masters in business administration from Western University. He was putting together a program of academic studies in business education at the university level that began with no acceptance anywhere except among his students and ended up as credit courses accepted by most universities in North America.

The tribute to that part of his life is the reality that the school is bigger, stronger, has more programs and he was the person who began it all. It was long before we had our own university in Calgary and long before we had a school that specialized in any kind of business education. He was indeed a pioneer.

However, the part of Chuck Cook's life that preceded my time with him, and it has only come to my knowledge in recent years, was that he was famous in the city of Winnipeg by 20 years of age. He had achieved the kind of fame and fortune in his local community perhaps that we aspire to in the Parliament of Canada and in our home communities. He was well-known. He was the most popular disc jockey in the city of Winnipeg by the age of 20. He was a lawyer by the age of 30 and he was a politician in this Chamber by his early 50s.

Chuck Cook is survived by his wife, Dale. On behalf of my wife I would like to say something about that relationship. As luck would have it, when our paths crossed at that community college, within a year we became neighbours of the Cooks, just down the street. Our children are of similar ages. My wife and his wife became friends. It was not inconsequential in our early days as parliamentarians that you had somebody who you had known for a while who understood your life and your lifestyle, the difficulties that were caused in your family, somebody who you felt comfortable talking to because of that earlier association. We have thought a lot since Tuesday of Dale Cook and their three children, their sons Kenneth and Colin, and Colin's children Michael, Trevor and Sean, and of their daughter Kimberley.

• (1505)

I think the House would like to know that as a family they were together in the last few days of Chuck's life. I think the House would like to know that the death was not sudden. It was the result of cancer, a disease which can exist over a long period of time.

Perhaps it is at least partially the mark of the man that I do not think anybody in this Chamber knew the severity of his illness. I was his Whip. I knew there were days when he found it difficult and sometimes impossible to get on an airplane to come from Vancouver to Ottawa and to go back. There was pain involved. There were other complicating factors. It was not Chuck's way to talk a lot about those kinds of things. Throughout the time I knew him he simply got on with life.

He is probably the person in my life who had read the most books. There was no such thing as paint or wallpaper in a Chuck Cook house, it was just books everywhere, tables, floor, bookshelves. Everywhere you went in Chuck's house were books and lo and behold he had read them all time after time.

That is probably what made him turn his talents to radio when he was at military college, I suspect in part to pay off a mortgage. In 1962 he became the very first talk show host. Talk radio came to Calgary in 1962 and Chuck Cook was the host. His program was from ten o'clock at night until midnight.

I became the semi-permanent guest. Chuck was a neighbour. At 9.15 the phone would ring and he would say he had just lost his guest. I put my coat on, he picked me up and told me what we would talk about in the car on the way down.

In retrospect I cannot think of a better background for budding politicians. You got on the telephone; people told you what was on their minds; you listened; you responded; you talked about it; together you sometimes came up with suggestions or solutions and you moved forward to try to implement them.

That is what talk radio was about in the early 1960s. The big city of Vancouver is what took Chuck Cook away from Calgary. In western terms, at least, it is our big city in western Canada. It beckoned with little richer radio stations. He had great ratings and off he went to Vancouver where he continued that talk show career.

He practised law. He was an entrepreneur. Ultimately he achieved something that had been on his mind for a while and that was an entry into politics. He succeeded in the election of 1979 as I did in Calgary and, lo and behold, here we were together, neighbours, same building, running around doing what the Whip told us, going from this committee to that. It was a minority government as members might remember. That is an awful shocking way to arrive in this place, as a member of a minority government. Believe me. You learn and you learn fast. Just when you thought you had learned something, you were back in an election. Both of us were lucky enough to come back with slightly increased majorities.

We experienced the thrill of opposition, the critic's role, Question Period, all those good things that so many members of this House are enjoying these days. It was kind of a good world for talk show hosts to have those roles. They fit quite well with past patterns and past backgrounds.

By 1983, in the middle of it, Chuck became the opposition Whip and subsequently, our first government Whip in a majority government in quite some time. He set some patterns and got us started on some paths in what was indeed a very big majority Parliament.

After the 1988 election, he concentrated more on the committee side of things and chaired not only the privileges and elections committee but the liaison committee which deals with all committee chairmen.

He made his contribution always in this place without seeking the limelight.

Members may want to read today the column by John Warren.

• (1510)

Many years ago, John Warren was a third member in our triumvirate, in the same period of time and in the same community college in top broadcasting. Chuck Cook hired him. In John's testimonial today I thought the words were really appropriate. I would like to put them on the record.

The words from John Warren that I would like to put on the record are as follows. In describing Chuck, he said:

> He could be serious but never took himself too seriously. "You do what you can, love your family, do not hurt anybody and hope for the best."

A simple credo but one which Chuck lived by. If you know his family, his wife Dale and the children, there is a piece of that credo in all of them.

You could disagree with Chuck Cook. In our very first meeting there was a rather serious disagreement between the two of us, but there was never an element of personal animosity in the disagreement. It was a clash of ideas from somebody who took the responsibility of learning seriously and adjudicating wisely. He never put you down. He expected you to do the same. If you came to a different conclusion, it was simply because your analytic processes were a little different. Your knowledge base might be a little different but there was certainly never anything wrong with thinking differently.

From time to time he had the courage in this Chamber to express that in a voting situation. He always had the courage in a committee situation.

One of the finest tributes that can be said of him is that when he chaired a committee, opposition members felt comfortable and government members felt comfortable. All were valued and all would have an opportunity to make a contribution.

He will be missed. Our thoughts are with his family. We wish them well. They know as members of our parliamentary family that if any of us are in a position to help them, if our help would be valuable, all they have to do is call.

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Mr. Speaker, I too would like to add some words at this time about our colleague Chuck Cook.

Our constituencies adjoin each other, Capilano—Howe Sound and North Vancouver. After the last election, Chuck took over part of my constituency. We worked very closely together. We represented a lot of the same people. We were involved in a lot of the same issues on the north shore of Vancouver. Our staffs really got to know each other very well over the past eight years.

I was really shocked yesterday. I was not prepared for the news of Chuck's death. It really made me think that we are indeed only here for a very short time. I still find it hard to even accept that Chuck is not here.

Chuck and I did not always agree. That would be of no surprise to anyone in this House. Chuck had this way of putting across his points. My colleagues in the British Columbia caucus know this very well. He would come in to a meeting and he would just go right at it. Whether it was in caucus, in this House or a committee, he could be gruff. He could certainly be uncompromising and he certainly stood up for what he believed in.

That is a real mark of a representative of the people in this House of Commons.

One incident last fall that I will always remember is indicative of the larger family that we are all part of in this House. It was during the referendum debate. Chuck and I were on opposite sides of that debate. That was not easy. On a number of occasions I had to argue with him on television programs and in forums in my riding. I am sure, as we would all agree, that was not an easy thing for either of us.

Our local newspaper tried to make it a real fight between us. It tried to really pit us against each other. You know how they take glee out of that kind of thing and try to make it a permanent animosity. After the referendum was over, Chuck obviously reflected well the views of his constituents once again. Very shortly after he had an occasion to address the members of his riding at a meeting and he made some very kind comments about me. That meant a lot to me because it really buried the hatchet and the difficulties we experienced over that particular issue. When Chuck was back in Ottawa I had a chance to share my thanks and feelings with him.

• (1515)

For all of us it is a difficult time when we lose someone who has worked so hard on behalf of Canadians, first as a lawyer and then a broadcaster, on all the different issues with which he was involved. Perhaps his greatest love was horses. That was a very special part of his life.

He will be missed but he will be remembered by his friends here in this House and by the people of North Vancouver and the north shore for what he contributed. He gave himself to the service of his country.

I would also like to add my thoughts at this time to Dale who has been so supportive all these years, it is very difficult to be the spouse of a parliamentarian, and to his children, Colin, Ken and Kim. We are indeed with them in our thoughts today.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I just want to add a few words to the tributes we are paying to our colleague Chuck Cook.

Someone I once knew told me that he had written a book on banking law and was making a tour of talk shows across the country. Among those he appeared on was Chuck Cook's, when Chuck was in north Vancouver. He discovered to his enormous surprise that Chuck had actually read his book and they engaged in an extraordinarily intelligent and interesting dialogue. He said it made a profound impression on him that this was someone who had actually taken the trouble to research the work of the person he was interviewing. This was not "fly by the seat of your pants" entertainment. It was a serious effort to provide to his listening public ideas, discourse and dialogue that would give them something lasting.

The member for Calgary West pointed out why that was so. It was because of Chuck's love of learning and his insatiable capacity to read and explore ideas.

When I think of Chuck Cook I also think of his sense of humour, occasionally at my own expense I might add. However, Chuck was always somebody who could enjoy a good joke. He smoked way too much and he was not an advertisement for healthy living. When we would come into caucus or the parliamentary dining room Chuck would always have a big plate of fries in front of him which he would then finish off with eight or nine cigarettes.

I think of Chuck and I see smoke coming out of his nose and mouth but he was full of pleasure and joy, and had an ability to love life.

Another impression of Chuck which I would like to share on this occasion was his enormous pride in his children. He had a daughter whose name is also Kim, who is a lawyer. I remember a couple of years ago at the Prime Minister's dinner in Vancouver, the pride with which he introduced me to his daughter and talked about her aspirations as a young professional. Of course it was a great pleasure for me to encourage her. At that time I was the Minister of Justice.

He had that wonderful air of a father who seriously suspects that his children may have outstripped him in intelligence and that delightful deference that parents have when they look at their children who have launched into wonderful careers.

He was a truly well-rounded human being. Like my colleague, the minister for western diversification, Chuck and I were not ideological soul mates on a lot of issues. However a lot of us realize that what is really important in this life is to have genuine dialogue and a genuine clash of ideas with people who are intelligent and well informed. I do not think any of us want to be surrounded by people who only ever agree with our own positions because those positions can then become flabby and ill-founded.

Chuck Cook was always a very important part of our caucus, and kept us on our toes. As others have said, our hearts go out to his family. We will miss him, because the very bottom line is that Chuck Cook was good company.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure other colleagues will understand why members of the British Columbia caucus mourn the loss of Chuck Cook so deeply. He was a friend to all in this House.

• (1520)

Some of us knew Chuck Cook very well. As my colleague, the member for Capilano—Howe Sound has said, he could be gruff. Perhaps that is why he was successful as a pioneer in open-line radio. It was perhaps Chuck's manner, but those of us who knew him came to discover that Chuck Cook had a heart of gold. He was always very concerned about each one of us, as our colleagues have indicated, and was always ready to offer a compliment and offer positive and helpful advice.

Chuck came to Ottawa shortly after I arrived here and took an office across the hall from me. I remember the long nights he used to work. There are two things about Chuck Cook that the House should remember. He was a consummate politician but a classic servant of his constituents in the best possible way.

Some people used to wonder how Chuck Cook could be elected and re-elected as often as he was. Those of us who knew him know he did it the old-fashioned way, by wearing out shoe leather door to door. People could not understand how some of the giants, such as Iona Campagnola and Gordon Gibson Jr., could fall to defeat to Chuck Cook, but we knew Chuck Cook. We knew what a dedicated British Columbian, and Albertan by birth, he was.

Something else that the House may not know is that Chuck Cook was—I know his family is very proud of this—the first supporter of our Prime Minister in British Columbia. In 1982 he invited the Prime Minister and Mila to come out to British Columbia where the Prime Minister spoke on the first occasion and won over friends and supporters in British Columbia.

The friend who he won first and to whom the greatest loyalty was shown was Chuck Cook. He was steadfast and dedicated to his party and to this government, and especially to the Prime Minister. For that we will always respect him.

Dale and his family, now grown up as all of our families do while we come to this place and fly that horrendous distance between British Columbia and Ottawa almost weekly, know the sacrifices he made and they too made sacrifices. Our hearts go out to Dale, Kim, Colin and Ken at this time of their bereavement. We will miss him greatly.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, it is an honour to speak on behalf of the Liberal Party about the late member for North Vancouver, Chuck Cook.

The respected journalist John Warren's tribute in today's *Hill Times* captures well what a lot of us in this House, across the prairies and British Columbia, and elsewhere felt about our colleague.

I have three short quotes from Mr. Warren's piece:

> He understood he'd pass this way only once and there wasn't time to waste bearing grudges or regrets. Unlike any politician I've known, he was totally free of vanity or envy.

The second quote is:

> He had enjoyed careers, or at least supplemented his income in all these pursuits (in politics, law, education, broadcasting, business, and horse-racing). It made for an unpredictable, often bumpy ride. And one Chuck often conceded he could not have taken without his loving and devoted wife, Dale.

The third quote is:

> He read more than anyone I know but laughed at being branded as an unschooled boor for telling publishers they weren't producing the kind of books Canadians want.

Chuck Cook and I entered this House together after the 1979 election. Serving for a decade together in the same caucus I grew to admire him greatly.

He was absolutely straight. He had strong views on many subjects, developed in the cut and thrust of debate, law practice and talk shows in all four western provinces, and he feared no one and nothing in expressing them. Whenever he spoke in the Conservative caucus most listened very carefully. Not a word was wasted. He said what he meant and meant what he said. There was no double talk, no lawyer's sophistry, no blarney, and no apple-polishing. He gave only the unvarnished truth as he saw it, and many people loved him for it.

• (1525)

This unique but quintessential westerner loved risks and he took them, from being a party Whip, with all of that risk, to horse racing, sailing or poker. I am told today that he kept the real state of his illness from his family until only late last week, presumably betting he might still beat the odds.

Although Chuck Cook both supported the leadership bid of the Prime Minister in 1983 and served him as Whip after 1984 he broke with his party, as is well known, over the Charlottetown accord. That was the first time he differed with his party in 13 years.

Why? After he cast his dissenting vote he said: "I don't care about the eastern press any more than they care about the voters of North Vancouver".

He believed the accord left western Canada even further under central Canadian dominance than now, and I quote him again: "I represent the people of North Vancouver. In the final analysis that takes precedence over my caucus or my leader". That is a statement that all of us in this House should reflect on very carefully.

Late last year he announced that he would not run again for Parliament because he and his wife wanted to "enter a new stage in our lives".

The *North Shore News* in North Vancouver said this about Mr. Cook last fall:

> Chuck Cook is that rarest of political birds: one who speaks his mind rather than simply mouthing the party line—They (his views) have always rung with personal conviction and sincerity, characteristics virtually extinct in the modern political arena.

In writing about this country's 125th anniversary celebration he wrote:

> One of our great strengths is the fact that we are a nation of minorities. There is no 'majority' in Canada. We are a collection of minorities, each learning tolerance from the other groups. . . To be Canadian is to have a very quiet pride and knowledge that you are extremely fortunate.

Mr. Speaker, as a British Columbian you will probably know that all of his family called him FB, Father Bear, including friends of his children. For his wife Dale's 65th birthday he flew everyone to North Vancouver for a surprise party for her. Over the past Christmas he spent many hours teaching his favourite indoor game, chess, to his six-year old twin grandsons, Trevor and Michael.

I would like to give two other short vignettes about our colleague's unique personality. When he was a 20-year old broadcaster in Winnipeg he announced that he would throw $100,000 off the roof of his radio station. There were the predictable traffic jams as he pitched the money from the building. It was Monopoly money. It made the national news.

Later in B.C. he took his family sailing. Being from the prairies I guess he did not know about tide waters and anchored near Bowen Island. At 5 a.m. they were all awakened by a rapidly approaching ship. He had anchored in the B.C. ferry lane.

Our colleague leaves behind him his wife, Dale; his children, Ken and wife Deborah, Colin and wife Lorraine, and Kim; and grandchildren Trevor, Michael and Sean. The funeral will be held on Saturday at St. Catherine Church on Ridgewood Drive.

As others have mentioned, the sympathies of all the members of this House go out to the entire family. We will remember and honour Chuck Cook in this House.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, on behalf of my party, the New Democratic Party, as a fellow member of Parliament for British Columbia and as a friend of Chuck Cook I would like to add to the eloquent words of my colleagues who have already spoken.

The hon. member for Calgary West spoke eloquently about the friendship he had with Chuck and his family. The minister from Capilano spoke about how Chuck stood up for what he believed in, and that is certainly true. The Minister of National Defence from Vancouver Centre spoke of Chuck's sense of humour, and I saw that as well.

The minister of Indian affairs, my colleague from Richmond, spoke about Chuck having a heart of gold. The member from Edmonton spoke about his admiration for a colleague who was a straight talking person. There is not a lot I can add because I think it has been covered, but I would like to say a few things.

Charles Henry Cook was born in Regina, Saskatchewan. He was educated at Northwestern University, the University of Saskatchewan, and the University of Western Ontario. He was well educated.

He was a lawyer, a broadcaster and a member of Parliament. At least in British Columbia being a broadcaster is well thought of, though I will not mention being a lawyer or member of Parliament.

I recall his hotline show. I was on the show. Many of us were on the show. I recall him being outspoken and controversial on the show. It is not unusual to be a member of Parliament and be a former hotline reporter. The member for Esquimalt—Juan de Fuca did that as well.

• (1530)

It is very important, especially in British Columbia. Chuck and I were elected together along with many others in the House in 1979. Our ridings touched just a little bit. I represented Vancouver—Kingsway then as you know, Mr. Speaker, since you represent the next riding down, Vancouver South. Our ridings all went together: your riding of Vancouver South, my riding of Vancouver—Kingsway with a little touch of Burnaby and North Vancouver.

I remember in 1984 debating with Chuck on the *Jack Webster Show.* I remember being surprised at how strong Chuck's views were and what a keen debater he was. I should not have been surprised. I saw it again in the House and on different occasions.

He was the government Whip, which is a tough job I am told. He did it well. I was surprised that he was the government Whip in a way because he was so independent. Whips are not traditionally that independent and outspoken but Chuck certainly was.

I recall that during the little incident where the Mace came up and hit me in the House of Commons that he was one of the few people who got up and defended me. I do not think he was defending my actions which were not really defensible, but I think some of the members were getting a little holier than thou in their speeches. Chuck got up and corrected that.

I remember sending him a note saying: "I owe you one. I will send you a bottle of whiskey," but being a Scotsman I never got around to sending the whiskey. I regret that. Chuck, wherever your spirit is, I want you to know I am thinking about you. I owe you one and I am thinking about you now.

Outspoken, a sense of humour, a good human being: What more can one say about someone? I think that is a great tribute to him.

I wish to give my condolences to his wife, his children, his friends and his constituents. He represented his constituents and Canada well.

Mr. Jim Peterson (Willowdale): Mr. Speaker, in May 1980 Prime Minister Trudeau appointed a task force to look into the issue of regulatory reform in Canada.

I had the honour of being the chairperson of that task force and Chuck Cook was one of the Conservative members. Chuck Cook was always constructive. He worked hard. He worked very precisely. He had a finely tuned mind when it came to looking at the issues.

What I remember most was the way he focused in and said: "I am not going to accept this report", and this was in the final days, "unless we get equality for western representation on our national institutions." CBC, the transport board, CRTC and things like this are what he fought for. He fought for them strongly and effectively.

Chuck was a strong advocate for what he believed in. Of course, he was right and he made his imprint. I was happy to work with Chuck and also to know his wife, Dale, who was a very supportive, decent, kind person. I know that Dale will miss him greatly. We will miss him here.

* * *

BUSINESS OF THE HOUSE

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I wonder if I can ask a question of the government House leader with regard to the business for tomorrow.

While the government House leader is on his feet, can he indicate what arrangements have been made with regard to the special committee relating to the North American free trade agreement, which is to sit and travel the country?

Also, I wonder if he can indicate to the House perhaps something to do with his own personal plans. Does he intend to stay in the great constituency of Calgary Centre in the months ahead?

An hon. member: In the leadership.

Mr. Speaker: I would point out that the hon. minister does not really have to answer that if he does not wish to.

• (1535)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): The hon. minister is trembling in his boots at the thought of an opponent who thinks there are votes to be gained by giving out T-shirts in Cape Breton—at least votes in Calgary to be gained.

Hopefully this afternoon we will get around to second reading of Bill C-101, the labour code act, and then get on to Bill C-109. It would be nice to get to second reading on that and get it to committee. It is an issue upon which I think there is a fair degree of unanimity in the House.

On Friday we would like to complete report stage and third reading of Bill C-99, the Small Businesses Loans Act, which again is anticipated in many quarters and then get on to Bill C-73, the Canada Post Act.

As you know, the House adjourns tomorrow for one week. At this point I am not entirely certain what the business for Monday, March 8 will be but I will commit to both opposition parties to let them know by the middle of next week what the business will be for Monday, Tuesday and Wednesday of the first week back.

In terms of a committee study of the legislation related to the North American free trade agreement, we are certainly favourably disposed toward getting the legislation to a committee as soon as possible so it can organize and arrange for hearings and witnesses, both here in Ottawa and in other parts of the country. Perhaps in discussions later this afternoon or tomorrow we can firm up plans in that regard. I would rather do that before we complete second reading, simply because scheduling of second reading and the nature of the debate we will have is such that if everything is done sequentially it may be some time before we can get the material to committee for proper study.

Mr. Iain Angus (Thunder Bay—Atikokan): In the estimates of the Ministry of Transport, reference is made to legislation dealing with drug testing of employees. The document suggested it would be tabled and receive Royal Assent in 1993.

I wonder if the minister can advise this House where that legislation is in the process and when we can expect it to be tabled.

Mr. Harvie Andre: I am sorry I do not have that information offhand. I will have to look into it, discuss it and find out just where it is and I will get back to the hon. member.

Mr. Ross Harvey (Edmonton East): This morning I sent the government House leader a letter suggesting a very prompt, quickly dealt with motion of congratulations for the Canadian winners of the American Grammy awards yesterday. I was just wondering if the House leader or another member of the Privy Council has any intention of bringing forward such a motion today or tomorrow.

Mr. Andre: I could not get it on the cabinet agenda this morning. You can understand we may have other items of some significant import to discuss.

Like everybody else, I am proud of these two Canadian singers for their awards. As an Albertan I am proud of k.d. lang and as an Albertan I am proud of Céline Dion because she eats beef. However, I do not know if we need a government decision to express that pride.

Mr. Raymond Skelly (North Island—Powell River): I wonder if the government is contemplating a statement in this House by the Minister of Fisheries and Oceans on the aboriginal fisheries strategy, which has become an extremely important issue on the coast of British Columbia. With the adjournments that are planned in the House it looks like there will be no opportunity to provide a debate on an extremely important issue to aboriginal people in British Columbia and to all those involved and dependent on that fishery.

I wonder if this has come up on the government agenda and whether it might be possible to have the minister make a statement on progress on the work on the aboriginal fisheries strategy.

Mr. Andre: My understanding is that it is more likely to get a statement out of the minister than to get a policy position out of the NDP.

• (1540)

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Ms. Barbara Greene (Don Valley North): Mr. Speaker, yesterday in Question Period under the protection of parliamentary immunity, the member for Mississauga East stated, as is reported on page 16386 of *Hansard*:

> According to the chair of the kangaroo committee on poverty, children would have to be naked, homeless or on the brink of starvation before being considered poor.

This is a slanderous, bald-faced lie which impugns not only me but also our committee which has undertaken an important study designed to improve government accountability on the important issue of poverty.

Failing an immediate apology, I ask that you refer this matter to the appropriate House committee for disciplinary action.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, when a committee of the House, established ostensibly for the Canadian poor is under the leadership of someone who questions the motives of food bank operators, disputes the necessity for food banks and does not believe Canada's poor are really poor at all, I would say that Canada's poor are ill-served.

As someone who has experienced childhood poverty firsthand, I find the member's attitude and behaviour certainly like that of an idle spectator who really does not understand poverty at all and whose head and heart are mesmerized by the Ivy League in the United States.

Mr. Speaker: I have listened carefully to the intervention of both hon. members. The complaint of course is that one hon. member has been described in an uncomplimentary way and in reply the hon. member who made the original remarks is carrying on what is obviously a difference of opinion between the two members.

I hope that both the hon. members can resolve their differences. However it is not a question of privilege, it is a matter of debate. There seems to be some concern that the hon. member bringing the complaint said that what was said about her was a lie. Under the circumstances, what she means is that she does not believe there is any truth in that and it is not appropriate to say those things.

I am not going to go further with the matter. I would ask hon. members when they are referring to each other to always try to keep the debate on the subject matter and try not to personalize it because these things do wound on both sides of the House.

GOVERNMENT ORDERS

[*English*]

CANADA LABOUR CODE

MEASURE TO AMEND

The House resumed from Tuesday, February 23, consideration of the motion of Mr. Danis that Bill C–101, an act to amend the Canada Labour Code and the Public Service Staff Relations Act, be read the second time and referred to a legislative committee in the Human Resources envelope.

[*Translation*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased to speak again on Bill C–101 so that I can continue the comments I made on Tuesday, February 23. I said at the beginning of my remarks that Bill C–101 is a good example of the government's malicious tendency to present bills that combine poison and honey.

[*English*]

A number of provisions in this bill, changes to the Canada Labour Code which establish improved minimum conditions of work are certainly progressive. They represent a great step forward, reached after many, many months of negotiation among the government, employers and employees representatives.

Without similar consultation the government has chosen as well to include provisions in this bill that have no acceptance among its employees who are affected by this bill or among other labour relations. To the best of our knowledge they have not been discussed with anybody.

• (1545)

Let us talk about some of the provisions we support because they are substantial and they are to the benefit of employees.

[*Translation*]

In particular, I would like to comment on the proposed changes that would make parental leave more flexible, thus helping parents balance work and family responsibilities. As with the changes made to the Unemployment Insurance Act in 1990, parents can have continuous leave for the year following the birth or adoption of a child.

In particular, also, the changes concerning maternity–related reassignments are in line with women's right to stay at work during pregnancy. Employers must make all reasonable arrangements to modify the tasks of a pregnant or nursing employee or to reassign her.

[*English*]

These are some of the provisions we certainly support in this bill. Others clarifying the relationship of minimum standards within the Canada Labour Code to other negotiated conditions in contracts between workers and their employers and provisions relating to the obligations of the employer to an employee who becomes disabled or ill as a result of the work situation, as I said, are progressive steps which we applaud.

Regrettably the drop of arsenic the government cannot seem to resist putting into a good bill at the last minute gives us substantial concerns. That bit of poison is in fact a substantial provision of great concern to workers. I am going to address it particularly in the context of Public Service employees because this bill as well as amending the Canada Labour Code includes amendments to the Public Service Staff Relations Act.

The provision to which I am referring and to which others who have spoken on this bill referred is the one that says where negotiations are not going well the employer can ask the Minister of Labour to refer an employer's offer to a vote of the employees.

I want to put this provision in the context of good management–labour relations. When two parties sit down to negotiate it is essential to maintain the balance of power between the two. There has to be a comparability of the rights of each in the process. Certainly in committee we want to look at how that balance of power is affected by giving an employer the right to come to the government and ask for a directed vote on the employer's offer. It is important not to put anything into the negotiating process that will discourage negotiations, that will discourage the parties from coming to a mutual agreement, a negotiated contract.

Although the bill refers to the public interest, there is very little in it that defines the public interest and under what kinds of circumstances the minister may act to take what is quite an unusual step.

• (1550)

Let me address the Public Service situation because the government as an employer of Public Service employees has substantial powers that a private employer does not have already. The employer as government has the power at any time to override collective bargaining, to legislate a return to work and to legislate the terms and conditions of a contract.

The present government has used its legislative power three times in just over three years. Essentially with Bill C–113 that was passed yesterday we will have had in the Public Service of Canada a four–year suspension of collective bargaining. I do not think that is a terribly good example to set for the private sector wherein we are trying to encourage more co–operative relationships, not more confrontation.

This present government, as I said, has used its power three times: in the strike by ships crews workers and hospital services workers in 1989; in Bill C–29 to end the Public Service strike, to impose back–to–work legislation and to impose a wage freeze; and again just yesterday on second reading of Bill C–113 which continues the suspension of collective bargaining and the wage freeze for a further two years.

[*Translation*]

In 1991, the Public Service Staff Relations Board declared the government guilty of negotiating in bad faith. Concilation board reports criticized the government for its negotiating tactics. The International Labour Organization, a United Nations agency, criticized the federal government of Canada just two months ago for no longer negotiating with its employees.

[*English*]

Of course we are concerned about the government's intention in wishing to introduce yet another weapon in its arsenal against its employees since it has not shown itself entirely responsible. In fact it has shown itself to be quite irresponsible in how it uses the tools it now has to control rather than to negotiate.

I raise a second concern. This bill makes a minister of the Crown the arbitrator of a dispute between management and labour whether or not it is a strike or whether it is just in the midst of negotiations, if the minister decides it has gone on a little too long. It makes the minister of the Crown an arbitrator to decide that negotiations are not working and he or she as minister has the right to take stronger action to put an end to collective bargaining.

I argue that since the government is the employer no minister of the Crown can be an impartial arbitrator because that minister is the representative of the employer, the Government of Canada.

We certainly have concerns about that provision in the bill as well as about the basic fundamental principle. At a minimum a party separate from the government would have to be designated to make such a determination, and we will be putting forward amendments to that effect.

There are numerous beneficial provisions being added to the Canada Labour Code. We applaud those. We think they are a tribute to what can happen when government, labour and management work together.

However I have to point out that we can only ask why the government has not chosen to give the same legislated minimum standards of employment to Public Service employees. At present those who work for the Government of Canada, those work for the taxpayers of Canada, must go through a variety of Treasury Board policy manuals, the Public Service Superannuation Act, the Government Employees Compensation Act and the Public Service terms and conditions of employment regulations under the Financial Administration Act to find out what their rights are.

• (1555)

We will certainly be exploring in committee why the government has chosen not to provide to its own employees, 250,000 of them, the same minimum working conditions as it provides to those in the private sector.

Once again we have a situation where the government is saying that federally regulated private sector employers have to do thus and thus but as a government is exempting itself. That approach has not been well accepted by organizations that represent employers across this country in labour standards and in issues like employment equity.

We want to explore whether the government is prepared to include the same provisions for its own employees as it requires for others. We frankly think that a public sector worker who is pregnant or nursing has the right to the same protection as a private sector worker who is pregnant or nursing. We happen to believe that a disabled worker in the public sector who happens to become ill or injured on the job deserves the same protection as a private sector employee; not just at the whim of the employer and by policy manuals of the employer.

Perhaps we will have answers to these questions when the bill is in committee. Certainly good management–labour relations require balance between the two parties to the relationship. It is in Canada's best interest to continue to work toward a more co-operative, more collaborative approach to management–labour relations if in fact we want a competitive and productive economy and a sane society.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, I enjoyed the speech very much but there were a couple of significant omissions. I guess my question would be: What exactly is the Liberal position on wage controls?

We remember in this country and in this House the kinds of complaints about the wage controls the Conservative government has placed on the Public Service over the years. The Liberal Party stands in the House regularly and criticizes them. We all remember Pierre Elliott Trudeau and the entire Liberal Party when they imposed the six and five program on the Public Service. We all remember the 1974 election in which Pierre Elliott Trudeau stood and said: "Of course we will never impose wage and price controls on the public sector".

That is the first interesting recollection the member forgot in her speech. What exactly is the position in the Liberal Party on wage controls?

Second, I remember when the Trudeau government was in the House and time after time after time it refused to bargain in good faith with the employees of the Public Service of Canada and simply ordered them back to work. There was all kinds of controversy.

The hon. member talked about good management practices. Good management practices for a Liberal government was that the hammer fell on the employee again. In many cases there was no attempt to put in place rudimentary dispute resolution processes. The government simply hammered the employees back to work with take it or leave it agreements.

Although I enjoyed the principles outlined very much in the hon. member's speech, I have seen previous Liberal governments smash those principles to pieces under an iron boot. I wonder if she has a comment.

Mrs. Catterall: Mr. Speaker, I certainly do. I will admit that the hon. member's recollection in this House is much longer than mine.

I did not hear the member putting forward his own party's position on these issues. I am not sure that gives him any right to ask anybody else to do it. However we already know a bit about the NDP's policy on these issues. I heard speakers from the NDP yesterday speak against the provision for a legislated right to order a vote on the last offer of the employer.

• (1600)

However, we all know that Bob Rae, the premier of an NDP government in Ontario used that provision in provincial legislation very handily to terminate a strike by TTC workers to have a settlement reached and to have them back to work.

Major revisions to labour legislation in Ontario are causing severe concerns among businesses about the economic soundness of the policy of the Government of Ontario for that matter. Premier Rae, the NDP premier of Ontario has chosen not to remove the very provision that his party has spoken against in this House.

Against all that background, I will say to the hon. member that when back-to-work legislation has been imposed in the past, it has always been imposed by a Liberal government with provision for arbitration to continue the collective bargaining process, not to discontinue it. It is a measure that has been taken reluctantly only because of the public interest.

That is in fact a legitimate role of government. It is one that should be used rarely and with the greatest reluctance. It should be used not to suspend but to allow the continuation of collective bargaining.

Mr. Skelly (North Island—Powell River): Mr. Speaker, the member looks at the history of her party in this place definitely through rose coloured glasses.

There were omissions of the Liberal Party in power as it herded the employees of the Public Service back to work. I guess the caution to those who watch her speak in the House on behalf of the Liberal Party is certainly beware of the wolf in sheep's clothing. The workers have been roughly handled by that government before. Clearly the promise is that this will not be imposed and then it simply turns around and imposes it. The question of putting people back to work with imposed settlements and without an opportunity to bargain was in many cases the order of the day.

Of course in Ontario, the TTC workers requested a vote on the offer. I think her view of things is certainly somewhat distorted by the rose coloured glasses and the effort to sell to the Public Service a message which really does not reflect the principles of this party with its likely prediction for the future.

That is of course on the GST, the trade agreement and all the other things that those members are preaching these days.

Mrs. Catterall: Mr. Speaker, I do certainly want to reply to that.

We only have to look as far as this evening's news to see how good the NDP is at living by its principles and keeping its promises once in power. We only have to look at that as a classic example of a party that would rather be in opposition because it is so much easier.

I think the positions of the Liberal Party on these issues stand up better to scrutiny than the record of the NDP government in Ontario.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, I too take pleasure in having an opportunity to add a few comments to the record about the treatment of the Public Service of Canada.

I am concerned about the fact that both the present Conservative government and the previous Liberal government have treated that Public Service very badly. The morale in the Public Service is extremely bad in many areas because of that treatment. I think the dedication and commitment is there, but certainly uncertainty and difficulties have come up.

We can start with pointing out in one area the kind of betrayals that have occurred with the Liberal Party and the absolute classic betrayal of Pierre Elliot Trudeau who during the 1974 election promised Canadians, the workers of the Public Service and all workers that there would be no wage and price controls, that the order of the day would be fair collective bargaining. He did that while campaigning against Robert Stanfield.

• (1605)

To the credit of the Conservative Party, it may not be palatable and certainly Robert Stanfield went to the sword for his sins, but the Conservatives stood up and said exactly what they believed in. The Canadian people responded accordingly, as we do in a democracy. They believed the Liberals. I think by 1975 they clearly regretted that decision.

The government of the day was so extremely unpopular it was forced to go a full five years right to the end of its mandate before it lost to the Clark government. It did so by betraying people I think principally on that six and five issue. You cannot trust Liberals.

The Public Service of Canada has learned that today and it has learned it through the years. The Liberals prior to an election will tell you anything you want to hear. Ultimately when the day draws near, when the election is over, those promises on the election platform are betrayed.

The Liberal Party also began the process of cuts to the Public Service. Prior to making the cuts in the Public Service the Liberal Party adopted a process by which it criticized the Public Service first. The Liberals thought it would be much easier and they could gain public support. This was again during that period from 1974 to 1979 when they began a process of saying the cost of government was too high. They believed Stanfield's lines.

The Conservatives and the Liberals simply believed what the Conservatives had said and then they tried to convince the public of the fat and the inefficiency of the Public Service. Nothing could be further from the truth. They began the process which we see today with the cuts to the Public Service, attempts to convince the public that these are legitimate because the Public Service is inefficient and the private sector is much better. That is nonsense.

Through the years we have had tremendous loyalty and great service to the people of Canada, commitment and dedication from that Public Service and it has been very badly handled by both the Liberal and the Conservative governments, right to the point of the bill before us today.

The process of the cutbacks has been so deep and so devastating at this point in time that the uncertainty and difficulty in carrying out the tasks within the Public Service create a great demoralization.

Labour relations in the post office are catastrophic. There is systematic harassment by management. Thousands and thousands of grievances are dragged out on to arbitration. The privatization process is throwing people who are making reasonably good wages out of work and replacing them with the low wage category of workers on contract.

It is interesting how in many cases the Public Service and the labour legislation that protects them has seen this take place. Incidents from some of the employees within the post office who are very apprehensive about the security of the mail are saying that low wage contract workers have been given keys and access to a security system. Regular employees have been laid off and moved out. This has created an enormous problem.

I mentioned before the case of the Transport Canada employees on the west coast, the Canadian Coast Guard. We had a situation with light keepers on the coast of British Columbia, a tremendously dedicated group of people, who work in isolation, whose sole purpose is the protection of the travelling public and of mariners and aviators on the coast of British Columbia. That group owes a great deal to these people.

In two enormous battles, first with the Liberal government and then with the Conservative government on the destaffing of these light stations, automating them, turning those people out, those battles were won. There seemed to be a political commitment that they would not in fact destaff the lighthouses. That is what the political end from the minister's office indicated.

Yet at the same time the operations side of it is completely replacing the equipment in the lighthouse system so that they will have in place the ability to destaff these lighthouses.

• (1610)

Can you imagine being an employee working within the bargaining process and the grievance process and having an absolute betrayal of commitments that are being made?

The interesting thing is the political decision not to destaff them. Yet on the other side of the coin they are preparing for destaffing. They are talking about technological changes so they can destaff. Equipment is being upgraded for automation, changing air horns to electric horns on the light stations. They are changing to a new type of light that is tremendously expensive to taxpayers and will facilitate automation. They are talking about reworking the radio system so that it can transmit automatic data from lighthouses.

Information has been dropped from the continuous marine broadcast reports. The barometric pressure has been dropped from the manned lighthouse stations but not from the automated ones. As you move forward on the issue the government has given a political statement that lighthouses will not be destaffed. Yet an enormous amount of taxpayers' money is being spent to put this process in place. Imagine how your employees are going to feel, or would feel, with that kind of betrayal.

There is another thing with the Public Service on the coast of British Columbia. There is a certain pride in providing the kind of service it does yet at the same time the government refuses to provide the capital equipment and the operating budgets to make these services effective.

It is interesting that there is a hovercraft station at Vancouver airport operated by the Coast Guard and there is another one in Parksville. The hovercraft station in Parksville is where my brother the hon. member for Comox—Alberni is the representative. He is working hard to retain that facility. However, the service is not only in his area but covers the whole northern end of Georgia Strait, which is in the area I represent.

This absolutely critical service cannot be replaced by conventional ships. The travelling public is put in tremendous jeopardy with the removal of that simply because the government wants two of them in Vancouver. It does not want to provide effective search and rescue services to the people on the northern part of Georgia Strait, a tremendously populous area, with a tremendous number of people on the water.

The people providing this service are extremely demoralized because of the continuation of the cuts. These cuts are not only demoralizing on the Public Service, creating enormous problems in gaining from it the kind of support it is capable of giving but they are also presenting an enormous danger to the travelling public.

Another example of these cutbacks is the removal of two Coast Guard vessels from the coast of British Columbia. We had been promised a major improvement in the ships on the coast of British Columbia to provide offshore protection to upgrade the aids to the navigation program and the lighthouse servicing program but how did this government handle that? It decided to take the two vessels that would have fit the bill, the *George R. Pearkes* and the *Martha L. Black* to Quebec.

What did the government do? It gave us in return an old beater by the name of the *Norman McLeod Rogers* which is tied up because it is full of asbestos. I guess no decision has been made whether the government is going to spend the money to clean that ship out even if it is not appropriate for the kinds of tasks for which we need it.

Obviously the Minister of Transport has made some decisions that really affect the Public Service on the coast of British Columbia and the conditions of work in an asbestos-ridden ship. It is a difficult situation. We should have proper ship equipment there so that people can carry out the kinds of tasks for which they have been trained and the experience they have to deliver to the public.

However, at the same time these cutbacks are occurring. The ship program with the Coast Guard on the west coast is abysmal. The *Narwhal* which is an old buoy tender really is not an acceptable vessel for outside search and rescue on the Pacific Ocean but that is its function now that the main resources have been taken away and sent to Quebec.

It is interesting in the area of aviation. Because of privatization people are booted out of their jobs in the Public Service in order to give them to the private sector. It is often so that friends of the Conservative government can benefit from a position at the public trough.

• (1615)

There is a lot of talk now that the flight service stations are going to be privatized and they are looking at a proposal to take Transport Canada employees and turn over those flight service station positions to privatization. They of course went through a number of cutbacks which again created demoralization in the Public Service. To my way of thinking, this is really a tragic situation. We need quality service aimed at safety for British Columbians who must travel in difficult areas and this government seems not to care that there is an arbitrary rule to do those cutbacks in spite of the consequences.

The other thing is the Coast Guard helicopters. Again, friends of the Conservative government come along and make a suggestion saying: "Wouldn't it be great if we privatized and took over the operation of Coast Guard helicopter services". The employees who fly and service those helicopters are extremely concerned about their future. There is an uncertainty involved with this wrong-headed approach.

What happens is if you are out doing a medical evacuation or you are doing search and rescue work, the bottom line is the bottom line. If a private company has it then you get to a situation where it will say: "Well, maybe we will not do the kind of upgrading that is needed, we will not do the kind of training that is needed and we will not put on the equipment that is needed". The thing then begins to fall down.

They can also work it the other way, and this has been happening in many departments where you get a cost plus situation, where friends of the government move in, a very lucrative contract has been obtained and they virtually work at cost plus.

We have an extremely effective Public Service. We have a very good Coast Guard helicopter service. The employees themselves have recommended many upgrades that could improve the efficiency, effectiveness and cost picture of operation, but the government continuously turns a deaf ear to those suggestions because of the philosophical fixation that I think is really leading to the destruction of our Public Service and in many cases irreparable harm to the country. This is creating an enormous problem.

There is the shutting down of the Cape St. James weather station. This is one of the most important weather stations on the Pacific coast. You cannot travel from one end of that coast without travelling through an extremely bleak area in which there are very few resources and the Cape St. James weather station. All kinds of promises were made about automated facilities that would give good weather briefing, but there is no replacement for a good set of eyes and an Environment Canada weather briefer or meteorologist to give you an indication of what you are going to be facing three hours from now when you arrive right in the middle of that cauldron with no information about what is happening.

They took the weather ships out of the Pacific many years ago. They figured they would put two buoys out there that would transmit weather information. My information is that those buoys are out there but they are floating around and they are really not sure where the heck they are. They break down. The Coast Guard has to use its limited ship resources to try to keep them up on behalf of the atmospheric environmental weather service people. I gather one is floating around broken off the north end of the Queen Charlotte Islands right now. That was a Liberal government contribution to safety, to the travelling public and to the Public Service in Canada.

We have watched a whole litany, and I have focused on the area of transportation safety, closing the Cape St. James weather station, two serious attempts by both governments, the previous Liberal and the present Conservative, to de-staff those lighthouses, and then a political commitment to keep the staff in the lighthouses and upgrade them. No upgrades, but the upgrades that have been going in are designed to facilitate an implementation of a de-staffing scheme which will automate them. This is just ludicrous.

We then have the cutbacks of hovercraft where they decided they wanted them both parked in Vancouver and leave the whole of the Straits of Georgia, with all its reefs and shallow waters, where ships cannot penetrate to look for people out there who are lost. The hovercraft goes to Vancouver and it leaves the area I represent totally left out of that very valuable hovercraft service.

We then watched the suggested privatization of Coast Guard helicopters. A bad idea. We are now hearing things about the privatization of flight service stations. This is a worse idea, if you can get worse. We get to a situation where over and over and over again they are prepared to demoralize the Public Service, to cut that service and cause enormous harm.

• (1620)

While I have the opportunity, in my closing remarks I would like to talk about fisheries and oceans.

On the west coast of British Columbia we are currently going through a process by which the Government of Canada is working on an aboriginal fisheries strategy. We understand how that strategy has come into place because of requirements of the Supreme Court of Canada, but the implementation of this has been catastrophic. You could summarize it, as I guess the provincial government has done, by saying no conservation, no consultation, and no compensation.

On the conservation aspect, with the cutbacks over the nine years of this government, cutbacks to staff within the Department of Fisheries and Oceans, the bad treatment, mistreatment of people in the Public Service in fisheries and oceans, we have a situation where there is an enormous change, one that has to be carried out. Yet with that enormous change it does not have the resources to protect the fisheries resource on the coast of British Columbia.

We want the minister to stand up in this House and explain why there are no stream counts for escapements. It is a blind guess. Why can they not do stream clearing? Why can they not do a whole effective amount of things, not only on the Fraser River where it is extremely important, but along the coast of British Columbia where there are areas that are just absolutely untouched by fisheries and oceans. That is because of the cuts to the Public Service which this government has carried out over the years. It is extremely proud of this, but in being extremely proud of them, it has put that resource in jeopardy.

Those people cannot do surveillance, they cannot do enforcement, they cannot do proper habitat protection, they cannot do stream clearing, they cannot do proper counts. It is important that there be a guardian program so that it can be extended at critical times. It is going ahead. What we really need in this House are not the stupid remarks that are made by the Minister of Fisheries and Oceans about what the Reform Party policy or the Quebec bloc's policy is on the aboriginal fisheries strategy, but what he is doing with extremely limited resources in the Public Service to protect the valuable Pacific fisheries resource.

I am absolutely sick of the kind of thing that is going on in this House where, instead of providing information to the public of Canada, he is playing the fool in the House of Commons by failing to give those people the understanding of what he is doing and the kind of resources he is prepared to put in place to protect the Pacific fisheries resources. It is the same with the House leader being a smart ass here this afternoon by failing to deal with this critical issue.

We need that presentation by the minister. I do not think there is another option for the aboriginal fisheries strategy. You either have a fisheries agreement by agreement or you have fisheries by chaos. That appears to be the line taken by the Supreme Court of Canada, which this House cannot overturn.

There need to be agreements. If aboriginal people are prepared to put interim agreements together until proper consultation and full fair involvement of all stakeholders occurs, we are prepared to support that. In the meantime, we are getting no guarantee that that valuable resource is protected. They almost lost it in the previous year.

I see time is drawing to a close. There is no need to lose the fishery. If we could get the proper resources and the assurance from the minister that the government is not just going to continue to cut out fisheries officers but it will put those kinds of resources in place, I think people's minds would rest easier. They would be more able to accept the kind of major structural and operational changes that are going on. In fact, politically this government would stand to win instead of losing continuously.

Hopefully the Minister of Fisheries and Oceans will see the wisdom and the merit in coming before this House and sharing the information, not only with other members of Parliament who are willing to hear him out and support moves that would protect that resource, but with the people of Canada, giving them a fair shake on his fulfilling his responsibility and this government's responsibility to the protection of that resource.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, before offering a question to my hon. colleague, I would like to just briefly say that I understand it is your intention, sir, not to seek re-election. I would like personally to say how much I have enjoyed the time I have spent in this House when you have been in the Chair and how much I wish you well in the coming years.

With that bit of brown-nosing, Mr. Speaker, let me first of all say that I found the—

Some hon. members: Oh, oh.

• (1625)

Mr. Harvey (Edmonton East): I would like to thank the hon. member for North Island—Powell River for his erudite and informative comments over the last 20 minutes. Clearly his grasp of the fishery and the problems besetting the fishery, especially as those problems relate to the continuing incorrigible actions of the federal government, can be bested by no one in this House.

At the commencement of his remarks he made a couple of statements that I found particularly compelling, having to do with the record of previous Liberal administrations. He mentioned in particular the six and five program of the early 1980s. That got me thinking and sent my mind back even further to the so-called anti-inflation program of the mid-1970s.

I remember at that time literally hundreds of thousands of people from coast to coast rallying against those particular policies. I remember the famous day of protest when literally hundreds of thousands of Canadians were out on the streets from coast to coast. I seem to remember at that time that among the things most vigorously protested were the actions of the federal Liberal government in literally grinding down the Public Service of the time.

In fact, a great deal of the problems in terms of morale, under-staffing problems, and in terms of simply not having the Public Service we otherwise would have today can find their origins, the germ of these problems, in those years, the mid-1970s.

I was wondering if the hon. member would care to reflect briefly for the further edification of this House on his experience in those days and what he thought at the time and, perhaps, what examples he can extrapolate from that which might be applicable today.

Mr. Skelly (North Island—Powell River): Mr. Speaker, first of all it is very difficult to add to the well-rounded comments of the member condemning the previous Liberal government which in all seriousness was a terrible record and a real betrayal. It is amazing that the Prime Minister of the day could present himself in this House with such a betrayal of Canadians and of the Public Service.

One thing I would like to add is that I was certainly not aware that you, Mr. Speaker, had decided not to run again. I wish to identify myself with the remarks of one of your seatmates from the city of Edmonton on how much I have appreciated the support and fellowship and the great job you have done. I will terminate those remarks and wish you very well in the future. You have done a very good job here.

The Acting Speaker (Mr. Paproski): Thank you.

Mr. Harvey (Edmonton East): Mr. Speaker, I would like to participate in the debate.

The Acting Speaker (Mr. Paproski): You wish to debate?

Mr. Harvey (Edmonton East): That was my hope, yes.

The Acting Speaker (Mr. Paproski): There is no problem with that. I thought the hon. member for North Island—Powell River was the last speaker. However, I will recognize the hon. member for Edmonton East on debate.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I am sorry for any confusion this may cause. I certainly do apologize for any disappointment this may cause on the other side of the House. I will attempt to keep my remarks pertinent.

We in the NDP caucus would like to support Bill C-101. We would like to come into this House and say the process that led to the contents of Bill C-101 was an admirable process, that the consultation between employer and labour groups facilitated and undertaken by the government was an excellent process and that the results of that process are uniformly commendable and ought to be implemented.

We would like nothing better than to do that. In fact, with regard to many aspects of the bill we can do that. There are those amendments to part III of the labour code that provide for such things as protection for nursing and pregnant women in the work place, improved parental leave provisions, greater protection for injured workers and administrative improvements, which most working people would never have cause to come into contact with but will facilitate the process of labour relations in federally regulated work places. As well, there are those provisions that create new protection for worker's wages, especially in the event of company wind up. All of these things are commendable, praiseworthy, and eminently worthy of support.

• (1630)

If there were a way that we could vote on these elements and these alone then we would happily vote with the government in favour of the bill. These are elements worthy of support, worthy of passage, worthy of adoption and putting in place to govern labour relations in federally regulated work places.

We cannot in conscience do that, and not because of any of the matters I have mentioned thus far but because of an amendment to part I of the code which at a stroke renders the entire bill insupportable.

In addition to all of those good things, the bill seeks to place into the hands of the minister the right and the ability at any time by caprice to call for a vote of the bargaining unit on the last offer of the employer.

This means that when a bargaining unit is in the process of collective bargaining, when in other words the union representatives of the workers in a given work place are negotiating a new contract or amendments to an existing contract with an employer, any time that employer has made an offer, the minister at her or his discretion may decide for whatever reason that the employees represented by the union will now vote on that employer's offer.

This constitutes an astonishing, alas not unprecedented but nonetheless insupportable intrusion into the process of free collective bargaining by the government. Further, it is difficult to understand why this provision is even presented in what is otherwise a commendable bill. It is so remarkably out of place that we really have to ask ourselves what it is doing there at all.

This provision allowing the minister at whim to tell workers with a perfectly legitimate bargaining agent working on their behalf that they have to ignore that bargaining agent and vote on an employer's offer does not come to this bill by virtue of the process that I praised earlier. That was the process in which virtually all of the stakeholders in federal labour relations got together and came up with the other proposals that we find so worthy of support.

This provision appeared out of the blue. It is as if the hand of some labour relations god came down out of the sky and touched the ministry of labour, which then so gifted with revelation, decided that this would be the ideal provision to slap into the new amending bill, Bill C-101. There is no other explanation for its presence because it does not come out of the same process that gave rise to the rest of the bill.

I cannot believe in charity that the government, on its own volition, for no good reason and to satisfy no legitimate constituency, would decide at the last minute to put something as odious as this provision into the bill by itself.

Let me be charitable. Let me just say that it is a poorly thought out amendment and one which runs counter to the spirit and practice of consultation which resulted in the amendments to part III of the code.

It is evident from the two years of consultation that went into this bill that neither the employers nor labour proposed this addition to the code. What is being served by this amendment is the hidden agenda of the government.

When I said earlier that it was perhaps the hand of some god of labour relations coming out of the sky and touching the department I was being facetious. For this I apologize, because what we have here is the further service of this government's hidden agenda. This is an agenda which gives the employer yet another reason to avoid good faith bargaining and which invites the corruption of the properly constituted free collective bargaining process in the interests of employers who simply cannot be bothered to undertake that process in good faith. They cannot deal with their employees and the representatives of their employees as social equals. In other words, they cannot conduct themselves in a fair and business-like manner.

• (1635)

This is yet another escape hatch from good behaviour that employers have been granted by this government, and that is a shame. I know in Alberta, and I suspect elsewhere in Canada, that for many years we who toiled at the provincial level had been able to point to the Canada Labour Code as an example of good labour legislation that ought in many respects to be emulated by our provincial counterparts.

I know when I used to work for the New Democratic Party caucus in the Alberta legislature and when I worked for the late Grant Notley, many were the times that he would have occasion to rise in the Alberta provincial legislature and inform the Conservative government across the way that it could do far worse than take as a working example the provisions of the Canada Labour Code.

Unfortunately, that advice was almost never taken to heart. But now, perhaps more unfortunately, with amendments such as those proposed to part I of the code in Bill C-101 we are taking that example and tarnishing it. We are making it less useful.

In fact we are slowly accreting a series of changes around the code, a new crust of poor legislation that has had the effect over time of rendering the Canada Labour Code, once the premier legislation in the country, a sorry and sad second cousin to the more progressive codes that now exist in places like Ontario, B.C. and Quebec.

This bill simply continues that process. It gives employers the ability to evade the collective bargaining process. That means that many of the provisions of current collective agreements that were the result of protracted bargaining would never have come to pass in the first place.

When faced with a determined bargaining agent, an intractable employer could simply have said: "That is all very interesting but I do not want to bargain any more. I think you guys can be crushed so I am going to call on my buddy, the federal Minister of Labour. He is going to make your unit vote on my offer. I am going to make it clear, by the way, that a no vote on this offer means I am going to shut down the plant", or some such thing as that.

Do not think it cannot happen because it happens all the time. It is central to our collective bargaining process that the government sets the parameters of the bargaining process and then leaves the two sides of that process by themselves to reach an agreement.

This measure of government interference into the process that we find in the proposed amendment to part I of the labour code tips the balance in favour of the employer. It puts the government, rather than in an impartial third party position, into the position of what amounts to an arbitrator. Depending on the circumstances in any given individual dispute, the government could perhaps be in the position of an arbitrator that loses its impartiality.

Let us think for a minute of any major labour dispute that has happened in this country in the last few years. For example, there was the Gainers dispute in Edmonton. I understand that Gainers was within provincial jurisdiction. I am just offering this as an example with which I am particularly familiar.

If the first offer from Peter Pocklington to the Gainers workers had not been rightly rejected, and with every last dram of justice we can imagine, those workers could have been compelled to sign a contract that not only would have been as bad as the one it was eventually able to salvage but it would have been far worse. The forcing of a first vote could have compelled that.

Within federal jurisdiction I think of the most recent strike at Canada Post. The compulsion of a first vote on the employer's first offer would have resulted in the workers at Canada Post accepting a contract far inferior to the one they were eventually able to get from that employer.

• (1640)

What is granted in the proposed amendments to part I of the code in Bill C-101 puts the government, in the person of its minister, in the position of potentially becoming an agent of the employer in labour relations.

This will be an invitation to employers within federal jurisdiction to harry and hound ministers of labour, seeking at every step of the way the compulsion of the vote on the first offer.

The inclusion of this amendment in the bill, if passed, will result in a situation in which, regardless of who that minister of labour may be and regardless of the party that minister may serve, the minister is placed in the position, if she or he is to continue to be fair, of continually saying no to those petitioners within federal jurisdiction who will be coming to that poor minister and saying: "Well, we have this offer on the table and we want you to force it to a vote".

It may be difficult, oh it may indeed be difficult, for a minister of labour from time to time to say no to a company that has been generous to that minister's party in the past and that gives every indication of intending to continue to remain generous to that party, all other things being equal.

It may be very hard for a minister of labour to say no to a company that can marshal resources in that minister's riding or in the riding of friends of that minister for the purpose of making that minister's further political life much less comfortable than previously had been the case.

We are setting up a minister of the Crown for ongoing, unreasonable pressure from interests within federal jurisdiction which will want to use this new provision of the code as a stick with which to beat their workers further into line.

I suspect that the Minister of Labour in the current government will not find that a particularly difficult prospect. I suspect, given the actions of the government of the day, that the idea of this new element of the code being used to further subjugate Canadian workers causes no trouble whatsoever to the current labour minister or indeed any labour minister who may prove to be that hon. member's successor.

I suspect this because in truth these provisions seem little more than an extension, another instalment, in what has been a long and consistent record of anti-labour legislation and conduct by this government in its dealings with its own employees and in its dealings with workers generally in Canada. It has been so, right down to such things as the way it has refashioned the Canadian economy to a degree that has been, and bears the potential of being, a boon to Canadian employers but a positive disaster for Canadian working people. It has done so to the point that we are now talking in serious tones, even hushed excitement, about the grand coming economic recovery.

We are talking about a circumstance in which, by all sorts of indicators, the economy will recover and unemployment will remain at or above 10 per cent. For the first time in our nation's history we are talking about a jobless recovery.

This in itself is bizarre. It is the clearest evidence that the current government's policies in total, while exceptionally felicitous for segments of the Canadian population, have been exceptionally harsh for most of the Canadian population, certainly that majority element that works for a living.

• (1645)

It is in that light that we have to see the amendments to part I of the labour code contained in Bill C-101. It is in that light that we have to understand that the good parts of Bill C-101, the parts that amend part III of the code and bring in such admirable elements as protection for nursing and pregnant women in the work place, improved parental leave provisions, improved protection for injured workers, improved administrative procedures and improved wage protection come despite the general program of the present government.

What comes in consequence of the application of the principles of the program of the current government is that amendment to part I of the code will put a whip hand over workers into the hand of the minister of the day to be called upon whenever it is wanted by employers who could not otherwise get what they want through free collective bargaining.

It is with some considerable sadness that I conclude by saying that that is why we in the NDP must vote against this bill.

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

Some hon. members: Agreed.

An hon. member: On division.

Motion agreed to, bill read the second time and referred to a legislative committee in the Human Resources envelope.

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Prince Albert—Churchill River—Agriculture; the hon. member for Cape Breton—East Richmond—Employment; the hon. member for Western Arctic—Health care—the hon. member for Bonavista—Trinity—Conception—Peacekeeping; the hon. member for Prince George—Bulkley Valley—Economic statement.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Hon. Perrin Beatty (for Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)) moved that Bill C-109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Mr. Speaker, I am pleased to speak in support of Bill C-109, as it includes two specific provisions related to privacy which I believe this country needs. The first deals with electronic surveillance and is used by the police. The second is the interception of radio-based telephone communications.

The changes being proposed by my colleague, the Minister of Justice, to part VI and part XV of the Criminal Code respond to a series of Supreme Court decisions which significantly affect the way police and other agents of the state can do their jobs.

The first decision involved an undercover drug investigation. An informant and an undercover police officer rented an apartment which they equipped by placing audio-visual recording equipment within one of the walls. Both the informant and the police officer gave their written consent to the interceptions of their conversations, but the court later held that the interception by the state of private communications without the consent of all of the participants was contrary to the Charter of Rights and Freedoms.

This decision is important because it limits the police in using not only this technique, but also body packs to help undercover agents deal with suspected criminals.

The second case arose out of a suspected gambling operation. A pin-hole video camera was installed in a hotel room. It produced evidence which allowed police to conduct a raid on illegal gambling activities. The court decided that video surveillance and locale, where there was a reasonable expectation of privacy without prior judicial authorization, was also contrary to the charter.

The court also noted that as there is no explicit statutory authority for video surveillance, Parliament should provide for it.

The third case involved the tailing of a suspected serial murderer by using an electronic tracking device installed in the suspect's car. The suspect was eventually charged with blowing up a $2 million communications tower based on evidence collected this way.

• (1650)

The court ruled that an unreasonable search and seizure had occurred because police used the tracking device. However, it also indicated that legislation should be drafted to allow judicial or statutory authority to police to engage in these practices when criminal activities are suspected.

The fourth case arose in a trial for conspiracy to import cocaine. Much of the evidence was based on intercepted private communications obtained by the police after receiving various authorizations. During an appeal, the court held that section 7 of the charter entitled an accused to have access to the material used to obtain an authorization. It noted there was a procedural quagmire to establishing this in an orderly fashion. It called on Parliament to eliminate these difficulties through legislative amendment.

As a result of these four cases and the recommendations made by the courts, the Minister of Justice is proposing the following amendments to the Criminal Code: first to provide for a statutory authority for an electronic lifeline to permit police and others in potentially dangerous situations to have their conversations surreptitiously intercepted by backup teams; second to provide for a warrant procedure for police and others to intercept communications with the consent of a participant to a conversation, to gather evidence or information relevant to suspected criminal activity on reasonable grounds; third, to provide for warrant procedures so the police and other enforcement officials can use video and other surveillance technology such as electronic tracking devices; fourth, to provide protection from civil or criminal liability for individuals assisting in the execution of authorizations or warrants; fifth, to provide for warrants and orders to engage in activities or obtain information or co-operation which would otherwise constitute an unreasonable search or seizure; sixth, to streamline the evidentiary and procedural regime applicable to evidence gathered through electronic surveillance.

[*Translation*]

The primary purpose of these amendments is to permit the use of technology by police forces in the performance of their duties, but only in a way that does not contravene the Canadian Charter of Rights and Freedoms.

The amendments would have the effect of simplifying the rules of admissibility of evidence. They would also increase the effectiveness of both the police and Crown prosecutors, in accordance with the recommendations of the Supreme Court.

We are talking about the resources police officers need to perform their duties satisfactorily.

[*English*]

The second amendment included in Bill C-109 is close to my own heart and deals with the issue of cellular radios and personal privacy. Not long ago *The Financial Post* conducted an experiment listening to cellular conversations on an easily obtainable inexpensive scanner. In a brief period of time the *Post* intercepted calls made by stockbrokers, real estate agents, federal bureaucrats, police and others. The subjects varied from the mundane to the illegal, everything from what to serve for dinner to where to conduct a drug transaction.

The *Post* gained access to all kinds of confidential information from personal and corporate finances to intimate personal conversations. When you think about it, the potential for damage if scanned information were to be misused is staggering.

What might happen to the woman when her car breaks down on a lonely highway and she transmits her location to thousands of eavesdroppers? What could happen to the real estate agent who gives out confidential bidding information over a cellular? What would happen to someone who calls a pizza parlour and gives out his credit card number over a cellular phone?

Although we have all heard stories about public figures caught transmitting sensitive information by cellular, it is ordinary citizens and businesses that are most at risk across this country. During one two-hour session *The Edmonton Journal* heard one caller give his credit card number over cellular, one woman give her address to a date, several intimate conversations and numerous business telephone calls. Another caller mentioned by name a man recently diagnosed with terminal cancer. It is possible the *Journal* reporter knew about this before his next of kin.

We know there are hundreds of thousands of people out there with a potential to listen. There are a million Canadians with cellular phones and almost as many with scanners capable of monitoring their calls. Privacy is disappearing and Canadians are worried about it.

I know this for several reasons. The first is that my own department, in concert with several other interested parties from government and industry, has just completed the first comprehensive national survey on privacy.

• (1655)

The results were very interesting and confirmed a few things I had suspected. We found that the majority of Canadians feel they have less privacy today than they had a decade ago. There is a sense that personal privacy is under greater pressure today than used to be the case. We found that Canadians believe new technologies pose increasing threats to personal privacy. Two out of three of the respondents told us that they did not know who to turn to if they wanted to do something about an invasion of their privacy.

Finally, we found out that Canadians hold very strong views that something must be done. While they recognize the need for individual responsibility, they want the government involved either on its own or in partnership with business.

[*Translation*]

Canadians are worried and they hope their government will do something about this. In fact, I think there is a great deal the government can do.

One of the first things I did when I arrived at the Department of Communications was to ask departmental personnel to look for new ways to deal with protection of privacy in telecommunications. The problem was so new and opinions so diverse that I decided we should first set the ground rules. We had to reach a consensus on what Canadians expect in the way of protection of privacy.

I asked the Department of Communications to draft a set of principles on protection of privacy. We submitted this draft proposal to a committee of informed people representing industry, consumers, the academic world and government for improvements. We then published the results which were submitted to the public last fall. In December, I was able to disclose a set of six principles that those providing telecommunication services are expected to observe.

[*English*]

Briefly, the principles are as follows. Recognition: privacy is a right, respect it. Informed choice: users must be aware of privacy implications of services they are offered. Fairness: where services are introduced which erode personal privacy, privacy should be restored at no charge. Control: personal information should not be used without the customer's permission. The right to be left alone: unsolicited telecommunications must be subject to clear ground rules. Review: as technology in society changes, privacy principles and protection methods should be reviewed.

If these principles had been in place prior to the introduction of cellular services, we might have been able to avoid a lot of grief which has occurred since. A large part of the problem is that people who use cellular radios think they are using telephones, enjoying the same degree of privacy they expect from their regular telephone service.

The truth is a cellular phone is not a telephone at all. Every conversation is a radio broadcast transmitted into the air on radio waves and is very public indeed. Therefore the first part of our strategy has to be public education and we have started that already.

We have also asked my department to release a simple brochure to the public which explains the issues and ways to improve personal privacy. I have also asked cellular service providers to take leadership in informing their customers, ideally through brochures or messages attached to the bills themselves, about the safest way to transmit confidential information. I have also asked my department to work on a media campaign which will help to transmit our message.

The second element is equally important and that is protection. I will ensure that cellular service providers offer effective and affordable encryption services to their customers. I have asked the Communications Research Centre to co-operate with them to help refine and implement these technologies. I am pleased to see that Bell Mobility Cellular has already cut its charges by almost two-thirds.

Encryption alone is not enough. What about the individual who uses a land line and, believing the conversations to be private, receives a call from a cellular? I have asked the Communications Research Centre to explore the technical feasibility of inserting an audible signal on the line which will indicate whenever a cellular is involved.

I am pleased to report we found that there is little to prevent the cellular companies from introducing this new technology.

This brings me to the third crucial element of our strategy which is prosecution. There is nothing particularly damaging about listening into someone else's conversations. However when a third party uses that information or passes it to another party, irreparable damage can take place. Radio-based communications are not specifically addressed in existing legislation because when it was drafted cellulars were not yet on the market. The result is a loophole. Canadians need to have legislative tools to defend themselves against invasions of their privacy. Give them these tools. The Minister of Justice and I are proposing complementary amendments to the Criminal Code and the Radiocommunication Act.

• (1700)

Mr. Speaker, I see that it is almost five o'clock. Perhaps I could pursue this at the next sitting of the House.

The Acting Speaker (Mr. Paproski): You may or else I will not see the clock. We are anticipating Royal Assent and I am expecting Mr. Speaker to come in very shortly. Maybe the hon. member would like to carry on until Mr. Speaker returns to the Chair.

Is there unanimous consent?

Some hon. members: Agreed.

Mr. Beatty: Thank you, Mr. Speaker, and thanks to my colleagues in the House.

First of all, these amendments will deem all encrypted radio-based telephone communications to be private and protected by the full strength of the law.

Second, the proposed changes to the Criminal Code will prohibit malicious and profit-motivated interception of any radio-based telephone communication. Anyone who deliberately intercepts communications with the intention of harm or any other motive of securing a financial advantage would be subject to prosecution.

Third, with a limited number of exceptions, the disclosure or subsequent use of any intercepted radio-based telephone communication would be prohibited without the consent of a party to it.

Anyone who contravenes these provisions can be punished on summary conviction with a fine of not more than $25,000 and/or one year in jail in the case of an individual, or with a fine not exceeding $75,000 in the case of a corporation.

Finally, the Radiocommunication Act will be amended to allow private right of action. Any victim of such wrongdoing will have the right to take the perpetrator to court for damages. This provision will give a clear civil recourse for individuals who suffer damages because of unauthorized interception.

I am convinced that these provisions for protection, prevention and prosecution, when taken together will offer the most effective solution to the complex issue of privacy.

Not everyone agrees with me. A writer in *The Hill Times* wrote recently that Bill C-109 was an Orwellian bill which "will stifle everyone's freedom of expression" and that "journalists and all citizens would be vulnerable to prosecution for activities which have never been considered to be immoral or unethical".

I do not believe this to be true. If you write something down on a piece of paper and someone else reads it when you have not given them permission, that is considered to be immoral. If someone intercepts your mail, even if it has been sitting untended for hours in your mail box and opens it that is illegal. If you say something on a telephone and someone else uses a wire tap to intercept it they could go to jail. Eavesdropping and using other people's private information has always been considered immoral and unethical. The difference is that technology has outstripped the law and so interception and divulgence of cellular phone calls for malicious or harmful purposes is not yet considered illegal.

Bill C-109 will protect Canadians by giving them legal recourse if they believe their privacy has been invaded by people who intercept or wilfully disclose a radio-based telecommunication for gain.

The words maliciously and for gain are key. We are not interested in the inadvertent scanner, but the deliberate focused eavesdropper who intends to use other people's private information for his personal gain or for harm.

New technology has promised to speed up and add to the different ways we transfer personal data. It would be irresponsible for the government to ignore this technological revolution and allow open season for anyone wishing to intercept and use information sent this way for their own malicious purposes.

Most people, including journalists, recognize this. As an editorial in the December 12 issue of *The Montreal Gazette* pointed out: "Had those conversations of Diane Wilhelmy and Bud Smith taken place over conventional phone lines, any authorized person who divulged the contents by tape, transcript or even orally would have been liable to charges. Users of cellular or cordless phones have no such legal protection of privacy".

That is what the federal legislation aims to fix. Clearly, strong measures are needed to discourage scanners from divulging information, blackmail, industrial espionage, credit card fraud or any number of illicit acts.

Madam Deputy Speaker: Unfortunately I must interrupt the hon. minister.

[*Translation*]

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

* * *

[*English*]

MESSAGE FROM THE SENATE

Madam Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-98, an act to provide additional borrowing authority for the fiscal year beginning April 1, 1992, without amendment.

* * *

• (1705)

THE ROYAL ASSENT

Madam Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Rideau Hall,
Ottawa

February 25, 1993

Mr. Speaker,

I have the honour to inform you that the Hon. Charles Gonthier, Puisne Judge of the Supreme Court of Canada in his capacity as Deputy Governor General will proceed to the Senate Chamber today, the 25th day of February 1993 at 5.15 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,

Anthony P. Smyth, Deputy Secretary,
Policy, Program and Protocol

PRIVATE MEMBERS' BUSINESS

[*English*]

EMPLOYMENT

JOB TRAINING PROGRAMS

Hon. Lorne Nystrom (Yorkton—Melville) moved:

That in the opinion of this House the government should consider the advisability of substantially increasing federal funds available for job training and retraining programs.

He said: Madam Speaker, I hope to get a start here before we are summoned to the Senate.

I put a motion before the House today to call upon the federal government to spend more money in terms of training and retraining in this country. I believe it is a very important issue. If we look around our country today, 11 per cent of the work-force is unemployed. Many other people are on social assistance across the country and many more people are working part-time at odd jobs here and there, drawing very low salaries. All that has a tremendous effect on our economy in terms of driving down government revenues, driving up the national debt and driving up the deficit each and every year. Since 1984 the debt in this country under the present government has more than doubled.

One reason for that is we have a very weak economy in Canada. The economy of our country has been going down instead of up and I think we have some long-term structural problems that we have to deal with as a nation. One solution is to spend more money on education, training and retraining of our work-force. Another is to spend more money on research and development.

These are two reasons why our country is not doing as well in many aspects as the Europeans, the Americans to the south of us or the Japanese. We can look at all the statistics and find we are lagging further and further behind.

Years ago theories about labour and capital were important. Today I think knowledge has become the most important thing. Countries that are good in knowledge, information, training, skills and research and development are the countries that will really go ahead.

I would just like to place on the record today a couple of statistics that really paint a very stark picture as to why I moved this motion today. In *The Financial Post* of March, 1991 I read an article about training and it compared our country to other countries around the world.

In Japan, for example, the average worker gets 200 hours of training per year. In Sweden the average worker receives 170 hours of training per year. In our country the average worker receives 7 hours of training per year. I think that tells us why we are falling further and further behind.

[*Translation*]

It is a big problem, because in Canada only seven hours a year per employee are spent on training compared with 170 hours in Sweden and 200 hours in Japan. This means there is a big difference between us, the Europeans and the Japanese.

• (1710)

[*English*]

According to Statistics Canada, the government's own agency for gathering statistics, only 5.3 per cent of Canadian workers in 1987 received any training. If we go to the European countries, to Japan or to the United States, we find that more and more of their workers are receiving training compared with what we have in this country. That is one reason we have tremendous problems of unemployment today.

The other reason is that we are spending less and less on research and development. We are spending less on a per capita base in research and development than the French, the Germans, the Swiss or the Swedes, than indeed most European countries. We are spending much less than the Americans and much much less than the Japanese.

For those kinds of reasons we are falling further behind. I suggest today in my motion that the federal government should start spending more on training and retraining our workers for the challenges that lie ahead.

I believe we have a great country. We have a great future in Canada. We can be second to none in the 21st century. But we are only going to be second to none if we start to make some of the structural changes to be more competitive on a global basis. If we do not do that we will continue to lag behind.

I call on members of the other parties to start doing some thinking about what we can do in terms of putting more money into training. For example, if we look at the private sector we find out that it spends a lot less money training its workers than does the private sector in Europe, Japan or the United States. A lot less money is spent by our corporations, by our business community. It is in their interest to start spending money on training workers in Canada for long-term jobs and in terms of building our economy.

When people are working they are paying taxes. When they are paying taxes, the country is stronger and the deficit is lower. We have more money for social programs, more money for economic development, more money to help poor people and more money to help aboriginal people. We have more money to do the things we want in terms of building a strong country.

When people are not working the reverse is true. More people are drawing unemployment insurance. More people are starting to draw welfare across the country or assistance in other forms from the federal and provincial governments. It is not only the federal government that has a fiscal problem. It is now being transferred to the provinces with more and more people being on the welfare rolls.

My province of Saskatchewan is a prime example of that. The unemployment rate for the first time since 1966, when they started keeping statistics on a provincial basis, is 10 per cent despite the fact that it has a net population loss and an aging population. We are in a province that has seen a government debt grow from only $3.5 billion in 1982 to $15 billion today after nine years of Conservative government by Grant Devine.

Yet we see an economy gradually grinding down in comparison to what is happening around the rest of the world because we have not had the foresight at the national level to make ourselves more productive, to spend more money on training and research and development so that we can start producing more things in this country.

There is no reason in the world why we should not be the top-notch people in the world in producing a number of things that are natural to a country like ours. We are the biggest, most vast country in the world. There is no reason we should not be first and foremost in terms of communications and transportation. We have a tremendous resource base. We should be first and foremost in terms of resources, mining machinery, mining equipment and things of that sort. In many cases we are not. We are tremendous agricultural producers in Canada, yet we import a lot of our farm equipment, farm machinery. Research investment dollars in terms of development and technology are spent in other countries around the world. Then we import the technology, the machinery and those devices into Canada.

• (1715)

These are things that should not be ideological. These are the kinds of things done by governments of the social democratic stripe, Conservative stripe or Liberal stripe in Europe or Japan. These are things that should be done here.

If we were to spend that money it would not be a short-term investment or a short-term cure. It would be a long-term cure. If we were to spend that money today it would pay dividends in five years, ten years and fifteen years down the road. There would be tremendous dividends in terms of dollars and cents and more important dividends in terms of ordinary people on the street who are suffering today, lining up at food banks and unemployment insurance offices or facing the humility of applying for welfare when they have the ability to work and support themselves and their families.

That is the problem. What can we do about it? I suggest two or three things can be done. First, if we had a proper day care system we could start providing more and more children with skills, with a bit more training and education at a very early age. That is something we have talked about in our party for a long time in terms of a national child care policy.

Second, in terms of our schools and universities I get the feeling we are lagging behind many countries in the world as far as teaching our children, our students, the kinds of new skills they need going into the 21st century.

I know it varies from province to province. I have talked to many people who are saying: "We do not think our children are learning what they should in school. They are not getting the kind of information they need compared to what is happening elsewhere". This is something that is under provincial jurisdiction, but once we get to the universities it is the federal government that pays much of the bill.

I hear a knock at the door. After royal assent I will continue with my remarks.

* * *

[*Translation*]

ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

• (1725)

And being returned:

Madam Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate chamber, the Deputy to the Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-54, an act to amend the Farm Products Marketing Agencies Act and other acts in consequence thereof—Chapter 3.

Bill C-98, an act to provide additional borrowing authority for the fiscal year beginning on April 1, 1992—Chapter 4.

* * *

[*English*]

EMPLOYMENT

JOB TRAINING PROGRAMS

The House resumed consideration of the motion of Mr. Nystrom (p. 17495).

Hon. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I will be very brief because my friend from St. John's East is champing at the bit. He wants to make a long speech and announce what a wonderful motion this is. My motion is to spend more money on training and retraining in this country.

An hon. member: An excellent idea.

Mr. Nystrom: It is a very good idea in terms of what we should be doing. We call it an investment, investing in our future.

I have already suggested we should do more in our educational system; in our schools, our universities. I believe the private sector has to do a lot more.

One thing we suggested in a recent document, our job strategy, is to phase in a 2 per cent levy on corporations and businesses that have more than 10 employees. If that were done we could raise, on a 2 per cent levy on their payroll, about a $7 billion fund for training and retraining. We believe that could be phased in over a number of years and would be an investment in the future of Canada.

Firms that were already doing training in their own right would not have a levy imposed on them. Those that did not have their own training programs would pay into a fund where there would be training programs set up on behalf of the country in general. These are some of the things that could be done.

The other thing that could be done is the federal government itself could spend more money on training, retraining and research and development in the country. Those are some of the things that should be done.

I wanted to move this motion today to try to move the debate along. It is important to look at long-term solutions to the problems we have in this country. These are some of the things which will solve some of the problems that we face in restructuring our economy, making it more competitive, putting more people to work and allowing more people to make a contribution. If we do that I think we have a tremendous future.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, it is a pleasure for me to speak on this motion from my very good friend from Yorkton—Melville who, as quite often is the case in this place, makes some very good sense.

The essence of the motion and the comments that we have just heard is that the commitment to training in this country is something that we must recognize as an investment, partly in our present but more particularly in our future. It is a responsibility all of us share. It is a benefit that in the long run all of us will share. A country whose work force is trained has a capacity to take on more knowledge and more training, is a work force that is adaptable, that is flexible and can modernize itself as the demands of the economy dictate and change.

• (1730)

To my mind one of the unfortunate conditions of education and training in this country today is that we do not see education as a life-long process. The attitude of many of us is that we go to school, graduate from an institute of secondary education and then many of us, who have been lucky enough, go on to post-secondary education but that is it.

My friend talks about the fact that the private sector spends so little compared to other countries. That is quite true. Every dollar that the private sector spends on

training—I think it is $2 in the United States, $5 in Japan, and in Germany about $8—says an awful lot not only about the attitude of our economy but the attitude of this country toward education and training.

There are a number of comments that come to mind in that area. I have long been very concerned about our attitude in the comparison of an academic education to a technical education. Far too many of us, be we legislators or public servants or educators or students, often give less value to a non-academic education. It is a loss, it is a tragedy and it is unfair and based on nothing. I would suggest it is an attitude we must overcome as we face a very technical world and a world of very great challenge in terms of our capacity not only to deal with technology but to manufacture and process technology.

The question is, should we be spending more? Yes, we should be spending more and continue to spend more.

In 1992-93 Employment and Immigration Canada is investing $3.55 billion in training for over 900,000 Canadians. Next year Employment and Immigration Canada will spend about $3.8 billion in training for over one million Canadians.

What is it spent on? There are a number of programs I can talk about: $110 million for self-employment assistance; skills training for 326,000 Canadians, 164,000 of those are courses purchased by Employment and Immigration Canada for $430 million; another 162,000 will arrange their own training under the fee payer program; $120 million budgeted for job creation under the unemployment insurance job creation program where 31,000 unemployed workers will get back and $130 million for the work-sharing assistance program.

I want to take the opportunity to comment on a couple of things that are happening in my constituency and province. I am told that one of the highest expenditures by a constituency on training in this country is in St. John's East. Frankly that is not as much a testimonial to my ability to get funds as it is to the academic institutions in my community and constituency and the number of community groups that have come forward and said that they have a contribution to make in the training of others.

Memorial University is recognized as one of the best medium-sized universities in this country, with a whole variety of very specialized and very important international faculties. The Cabot Institute or Cabot College was what we used to call a trade school and is now a technical institution in my constituency. It has a number of campuses: three in St. John's, one on Belle Island which is in Conception Bay and one in Seal Cove. They are important contributors to the community. They are providers of education. They are sources of innovation.

We are telling young people that the education they get not only helps them take advantage of opportunities and creates opportunities in the future, but the process of education and training is in and of itself valuable. It gives the opportunity not only to learn from books but to see the world from a different focus and a different function.

• (1735)

I want to very quickly mention the business school at Cabot where they have tried to take practical opportunities to learn about trade in terms of what Newfoundland and Labrador businesses are doing in pursuing their opportunities and exposing their students to them. The initiative of the faculty, such as Dan Mosher and Dean Baker and others, to ask government and companies if they could take these students and expose them to opportunities that they may see for the future, gives their training more relevance and more practical application.

We are aware of the Pathways to Success program which is important for aboriginal people. I want to refer to a couple of others that have been particularly important. We have two WISE programs. One is Women Interested in Successful Employment and one is Women Interested in Science and Engineering. They have very different focuses and functions. One is very much a grassroots community program that is I think sponsored under the job entry component of the Canadian Jobs Strategy. It provides women who have been out of the education milieu and out of the work force for a considerable period of time not only the tools and skills

to get back into the work force or into the work force for the first time, but self-confidence.

People ask why we are spending all this money on self-confidence. I have never seen anything like the transformation those women go through having completed those courses, and the contribution they make not only to their families and their communities but to the economy of which they now want to become a part.

Women Interested in Science and Engineering and another program known as WITT are designed to expose women to science, engineering and also the technical opportunities that developments like Hibernia provide. They are driven by the recognition that not only non-traditional occupations should be pursued but also that women particularly have the capacity, the capability, an interest and a desire to pursue them. They not only should be looking at non-traditional occupations for women but women want to be able to develop a knowledge of technology and an exposure to technology to open up all sorts of new vistas.

I think that approach of putting the academic community together with the business community together with two levels of government and going forward in partnership is providing training opportunities the likes of which we have never seen before.

I can mention numerous other projects that have been developed to provide skill training, to enhance the training that people have or to bring job opportunities to allow the skills that are already in possession to be able to be maintained as job opportunities come along.

One of the biggest components of the fisheries program for which we in this country will spend approaching $1 billion is saying to those people that through the moratorium are either not fishing or not working in fish plants that they will have the opportunity for training either inside or outside the fishery.

The work of the Fishermen Food and Allied Workers Union in developing these training programs under the directorship of Father Des McGrath will prove that while people have not been working, they have been taking advantage of the opportunities provided through these programs.

As we deal with the opportunities of oil and gas, hands-on training, specific skills reinforced with basic skills training is a particularly critical component.

If there is any approach that we need to take as we go into the 21st century as my friend says, it is to have the basic capacity to continue training and education. It is that life-long process of training and education that we must adopt in this country if we are going to have the flexibility to take advantage of the opportunities of the next century.

• (1740)

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I am pleased to participate in this debate because I am a firm believer that training is indeed important in establishing this country as a leader in the 21st century. I believe that training is crucial to young people who need it to succeed in the global marketplace and it is important for older workers who must adapt to our changing economy.

As we all know, our economy is going through a period of profound transformation. While in the past we were able to rely on our abundant natural resources to pay for our standard of living, that is no longer the case. Many of our forefathers could expect to get work in the forestry, fishery or mining industries and have a good job for life. Others could look forward to long careers working at an automobile plant, a textile factory or a steel mill. That kind of job security is a thing of the past. The era of well paying, low skills jobs has ended for Canada.

In order to compete against Germany, Japan and the United States, not to mention South Korea, Taiwan and Mexico, Canada must focus on creating a high skills, high wage economy. To do that we must invest in training.

As we move from a resource based economy to a knowledge based economy, we must help Canadians acquire the skills they need to prosper in the new global marketplace. The fact is that training is not a luxury, it is a prerequisite for prosperity in the 21st century and beyond.

Throughout its term in office I have called on the government to increase its commitment to training in recognition of that fact. Unfortunately, the government does not seem to realize how urgent the question is. While it talks a great deal about the establishment of a

learning culture, the present government does not reinforce its words with actions.

For example, on February 7, 1992, the minister of employment said in this House: "This government has shifted the priority from make-work projects to training in order to help young Canadians obtain jobs that can last". That is simply not the case. The fact is that while the government has shifted funds in order to train UI recipients, it has consistently cut the amount it spends on training for Canadians who do not receive UI.

Last year the government cut $200 million from its general training budget. Gerald Docquier, co-chair of the Canadian Labour Force Development Board called those cuts devastating. He also said that increases in training funds from the UI fund should not absolve the government of its responsibility to ensure that Canada has a well trained work force.

This is because most Canadians do not have access to training funds earmarked for UI recipients. Many students graduate from university and cannot find work. They are ineligible for training programs funded through unemployment insurance. Many women, immigrants, disabled Canadians and aboriginal Canadians do not have access to these training funds.

People who have exhausted their UI benefits, and there are many in this situation after a three year recession, cannot apply for these training programs.

A case was recently brought to my attention where a training advisory board has money for training but cannot spend it because the money has been allocated for UI recipients and all the people who might benefit from these training programs have exhausted their UI benefits. That is unbelievably sad.

• (1745)

At a time when so many Canadians need training in order to find work, it is unacceptable that people are excluded because of the neglect this government has demonstrated on the training issue.

We in the Liberal Party understand that if the government does not get serious about training, Canada is going to be left behind by our foreign competitors. Liberals understand that without a real commitment to training, we cannot hope to help the 460,000 people whose jobs disappeared in the recession. Liberals understand that without a commitment to training we cannot promise a future to our young people.

As a member of Parliament, I have spent the last four years listening to the voices of young people throughout Canada. Many young people are worried about their prospects. Many have lost hope and have given up on the possibility of ever finding a rewarding career.

As co-chair of the Liberal Senate and House of Commons committee on youth, I was pleased to present a number of recommendations on training to our party. In a major policy speech on January 27 our leader outlined what a Liberal government would do in this area.

He said that a Liberal government would work in partnership with business, labour, educational institutions and other governments to create a national apprenticeship program. He also said that a Liberal government would put in place a tax based incentive to encourage on-the-job training.

Another aspect of our program for young people would be the establishment of a Canadian youth service to help young people develop the skills and work habits that are much required in a competitive society.

A Liberal government would take these steps because we understand the importance of training. We understand that we cannot afford to waste 100,000 high school students who drop out of high school each year.

Anyone who questions whether or not the government should be doing more in this area should remember these two figures: First, there are 1.6 million Canadians who cannot find work. Second, there are approximately 600,000 good jobs that cannot be filled because we lack people with the skills needed to fill them.

Those numbers reflect a great injustice toward the unemployed. The government has a responsibility to address that injustice and see that unemployed Canadians find work. The best way and the only way to help these people is through training.

Therefore, I call on the government to take immediate action and address the urgent training needs of Canadians.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I would first like to congratulate the youth critic for the Liberal Party for having noticed some of the recommendations that the New Democratic task force on youth wrote in the year 1985.

He might expand upon that and perhaps study the proposition of a youth opportunity program that would show no bias among choices with respect to colleges or universities or with respect to training or entrepreneurship. He would be aware of our recommendations with respect to work experience, co–operative programs and all levels of education.

He would know something about the grant levy proposal for training in industry which was a part of that document. It is a part of the document that the New Democratic Party released last week with respect to the creation of jobs in this country based on a solid economic plan in order to accomplish that.

I would like to congratulate the Liberals for reviewing history and catching up with it. They have not yet achieved the detailed proposals for actually doing something about attacking the inadequacy of opportunities for lifelong learning not only for youth but for all Canadians.

• (1750)

I found the discussion that was introduced by my colleague up until this point a very edifying one, but I think there is still a tendency to have a relatively narrow perspective. I agree with the hon. member when he says that the global economy has changed substantially and that the focus in the new economies is on knowledge, skills and learning. For this country to compete, it is obvious that we must enhance the opportunities for training and education at all levels so we can be more competitive.

However, I think that our analysis has so far been based on a rather narrow construction of what is really at issue here. Not only does a new global economy require a higher skill level to achieve higher wages and increase higher value added, it implies an absolutely different structure and organization of the work place.

No longer, as the hon. member mentioned, are we going to have a situation in which workers can depend upon access to jobs which are dependent upon a routine, standardized, low knowledge based assembly line process in which management gave commands to the workers and where there was a strict hierarchical structure. Instead there would be a work place in which the success of a corporation, the successful production of goods and services is going to depend upon a great deal of mutual respect for the particular skills and knowledge that every worker, described as management or otherwise, is going to be a precious, necessary thing. It means that the status of the worker is going to improve in terms of his or her contribution.

In other words, I am trying to say that the worker of the new economy is going to be an empowered worker. It will be someone who has the confidence that he or she has something to contribute that everyone else in the work place is bound to respect because he or she has it.

That is why the New Democratic job strategy, although described as an attempt to deal with the deficit and all of those things is, in fact, a strategy for the empowerment of the Canadian people.

The hon. member for St. John's East alluded to this empowerment when he described the reaction of women who had an opportunity to gain more training. If we have missed the point, the New Democratic job strategy is focused on empowering the people through skills and knowledge and it recognizes that for all we may say about improving training and all we may say about lifelong learning, we have not yet got to the core of the problem.

In the new global economy, if there is one thing that we as government can affect in a significant way, it is the capacity of our work force to contribute to the creation of wealth, the prospect that the workers will be empowered economically, socially and politically because that new worker empowered by education and training is not going to be the worker who is going to take the guff of the sort this government has handed down any more than the guff employers too often impose on workers. But then the employer of the future will also be a very different employer, one who recognizes that inherent quality of the work force which can, through its creativity, knowledge and capacity, create wealth and success for this country.

We must start at the very beginning. We talk about those who are being trained through UI and through the Canada Jobs Strategy, but what is being ignored is the 35 per cent of the population who still remain functionally illiterate. Any program to address the issue of training and education that does not include an urgent attack on that level of illiteracy will fail the country, fail our prospects and fail the many people of this country.

• (1755)

We cannot miss the fact that there is a changed social environment in which many children are confronted with the reality that in their lifetime 65 per cent of them will sooner or later have a single parent struggling to raise them and if they have both parents in most situations both of them will be working. So the kind of educational preparation that we can usually assume is going to exist in a home and which has been traditional in the past can no longer exist.

We talk about investing $2 billion in day care. Yes, that is to the benefit of parents, but fundamentally it is aimed at starting at the very base of the issue by providing every kid in this country with the kind of educational preparation that will be necessary to succeed in the schools of the future.

Yes, it is true we spend more on education than virtually any other industrial nation. However, it must be clear that it requires dramatic reform and national leadership if our educational policies are going to be in accord with the economic future we intend to achieve for this country.

My hon. colleague has brought forward a motion that we should all support, which is that there needs to be more investment in training and retraining. In our job strategy we propose a grant levy tax system on industry so that industry that does not train its workers would be taxed and industry that does train will not be taxed.

Mr. Speaker, I only have 10 minutes. I can see that you are waving your hands and saying: "I know that you should go on, but the time limits do not permit you to do so". However the substance of it is that if we are going to develop as a successful economic player in this new world global economy it is not going to be by talking about resources as human resources or any of this sort. It has to be based on—

The Acting Speaker (Mr. Paproski): I love to hear the hon. member in debate, but I must cut him off. It has been a little over 10 minutes now.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I shall attempt to say as much in 2 minutes as my colleague has in more than 10 minutes.

It would appear to me that the first thing we must come to grips with when we talk about education, training and retraining is a sense of vision of where the country is headed. We must know exactly what it is that we want this nation, Canada, to become and know the kinds of relationships, trade and others, that we are going to undertake with other nations.

It is only logical that it is only then that we can address two basic questions. What do we need in terms of education, training, retraining, and research and development, to continue to provide those individuals who will make sure what we have working in our country today will continue to happen? We have people who will be taking retirements and people who will be going to other jobs so we need a certain group of workers to make sure that what is happening today will continue.

We need to address another question that is much more difficult. What are those new jobs of the future? Those jobs of the future can only be determined if we know where we are going as a nation, if we understand the kinds of relationships that we are going to have with our trading partners and if we have insights into what will happen. Otherwise, we are educating and training in a void.

I would also like to suggest that we need appropriate support for colleges and universities. That absolutely must be a priority. We also need an enhanced apprenticeship program.

I am delighted that my leader has made that a priority. We need to focus on the importance of learning in the work place. Learning in the work place is an area that has been underestimated and has not been sufficiently appreciated.

• (1800)

We also need to make awfully certain that there is a better co-ordination of the relationships between the learning institutions and the work place. This is of critical importance.

Finally, I believe that we have not appropriately understood the importance of having programs to respond to the needs of older workers. Retraining them will be a major priority in the future because, as a number of my colleagues have said, learning is going to be a lifetime undertaking.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

AGRICULTURE

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I would like to ask again the question that I asked the Minister of Agriculture on November 26, 1992 regarding the changes being pushed by this government in terms of the method of payment of the Crow benefit to the railways, and the removal of barley exports to the United States from under the jurisdiction of the Canadian Wheat Board.

The background to this question is that the net worth of Saskatchewan farmers has fallen $8 billion since this government was elected in 1984. The average projected family income of Saskatchewan farmers next year is going to be $4,000, which is less than they would make on welfare. It is also a startling statistic that there are more farmers in Saskatchewan over 70 than under 30.

It is against this backdrop that the government is pushing changes to the Crow benefit, which would change the method of payment from the railways, where it has historically been paid, to the producers.

As well, since the time I asked this question the government has made a 10 per cent cut in that Crow benefit, which in my constituency alone represents a drop of more than one million dollars in income to farmers and in the money they have to spend with businesses there.

Why is the minister pressing ahead with these changes when it will have an impact on the value of farmland, cause a drop in farm income and further unravel the social and physical infrastructure of prairie Canada? Why is he pressing ahead with these changes when over 70 per cent of Saskatchewan farmers said they did not want them and when the one thing that the 13,000 farmers at the farm rally in Saskatoon on January 26 were unanimous about was that they did not want changes in the Crow rate?

Second, why is the minister proposing to take barley exports out of the jurisdiction of the Canadian Wheat Board when his own figures indicate that since the government has taken oats from under the jurisdiction of the Canadian Wheat Board, exports of oats to the United States have been cut in half while the export of grains that have been controlled by the Canadian Wheat Board has virtually doubled in that period of time?

Why is the Minister of Agriculture continuing to treat agriculture like the black knight in the Monty Python movie by lopping off one limb at a time until finally agriculture is left dancing around on bloody stumps not able to get anywhere?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I must indeed give the hon. member credit for presenting his argument in a colourful fashion. However I regret to say that the basis on which the argument is made is not well founded.

In fact, the Government of Canada has not proposed to change the method of payment nor has it proposed to take the sale of continental barley out of the control of the Canadian Wheat Board.

The Government of Canada has addressed these two important issues as ones which require further study, consultation with producers, and consultation with the industry in general. That consultation is now under way.

We provide some $700 million annually to the grain industry to assist with the costs of movement of grain to export points. The question is how to most efficiently use that $700 million or so. That is the issue that is being discussed, and it is being discussed in consultation with all the players.

With respect to the question of the method of sales of barley to the continental United States market, I want to stress that the discussion and study which is now taking

place relates only to that portion of barley sales, and that it is a consultation which has taken place. Unfortunately, the hon. member is very wrong when he implies that there is a set government position because that is just not the case.

• (1805)

EMPLOYMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have come here this evening to speak on a subject which is of great concern to my constituency, namely unemployment.

On February 19, 1993 I posed a question to the government with regard to the consequential effects of a bill it introduced with amendments to unemployment insurance. At that time I asked what these changes to the unemployment insurance would do for the people of my constituency.

We have an unemployment rate of 26.4 per cent. That is the last recording we have from Statistics Canada. My constituents in Glace Bay, New Waterford, Reserve, Gardiner, Dominion, Louisbourg, Sydney River, Mira Road, South Bar, Grand Lake Road, L'Ardoise, Framboise, East Bay, Ben Eoin and all other parts of Richmond county as well as Cape Breton county are feeling the effects of the government's actions and inactions over the last number of years.

I would hope that the parliamentary secretary who will respond on behalf of the government will understand that these regressive measures, as contained in the piece of legislation making changes to the unemployment insurance, will do absolutely nothing for those individuals who find themselves without work or, worse still, who find themselves having to go to municipal and provincial welfare.

As I have said repeatedly in this Chamber through you, Mr. Speaker, to hon. members opposite, my constituents do not wish to be on unemployment insurance. They do not wish to be on municipal or provincial social assistance. They wish to have the opportunity to have a meaningful job. I suggest that this government has been grossly negligent in bringing forward policies which would have a positive effect on the Canadian economy, in particular the regional economies of this country.

I find it unsatisfactory that the Minister of National Defence would proceed with the program of putting billions of dollars into helicopters when in fact we have such high unemployment in the areas I have just previously mentioned. It is not fair. It is wrong. It is stupid. It is idiotic. It represents a government which has lost touch with the ordinary Canadian.

I have come forward tonight to speak on their behalf, to get the opportunities and jobs so they can provide for their families and make a contribution to the society we all hope they want.

In conclusion, I urge the parliamentary secretary to stand in his place and tell the people of my district what these unemployment insurance changes are going to mean for them and how he will create the kinds of jobs we need in the great district of Cape Breton—East Richmond.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on behalf of the Minister of Employment and Immigration of Canada, I am pleased to inform the hon. member that the government is fully aware of the economic difficulties in certain regions of the country including Cape Breton.

EIC offers a wide range of programs and services to all Canadians, the unemployed, the employed, the underemployed, employers, and communities. The type of assistance offered depends on a number of factors such as what type of assistance is needed. Sometimes this means counselling or a service needs determination test. It may mean one of our training programs.

We have recently streamlined all of our services into four programs. This was done so that we could better serve our clients. These programs in the 1992–1993 budget are as follows: information and special initiatives for all clients, $43 million; employability improvement for worker clients, $865 million; community development for communities, $122 million; labour market adjustment for employer clients, $273 million. We believe these four programs make up an effective way to help Canadians find and keep meaningful employment.

I can assure the hon. member that Cape Breton has and will continue to receive its fair share of funding. Last year Employment and Immigration Canada through the Canadian Jobs Strategy provided Cape Breton with over $32 million.

There are now several programs and committees in place to deal with the situation in Cape Breton. For example, the community initiatives fund, community futures committees, business development centres, and industrial adjustment services agreements are in place.

I see my time is running out. I thank you, Mr. Speaker, and the hon. member for his concern.

• (1810)

HEALTH CARE

Mrs. Ethel Blondin-Andrew (Western Arctic): Mr. Speaker, last week I asked the Minister of National Health and Welfare specifically to explain how the department's new health policy to hand over the administration of non-insured health services of First Nations people to Blue Cross, a private corporation, would further the cause of self-government.

I did not think his answer was satisfactory so I would like to raise the issue again. The minister stated that the process of implementing this new policy had been done normally. The appropriate consultations, he said, had taken place and despite the resistance in Manitoba the phasing in of this new policy would continue.

I do not believe the minister fully understands or is listening to the position taken by the First Nations people of Manitoba.

Simply stated the First Nations people of Manitoba strongly object to the unilateral redefining of their health services by the federal government. The minister must realize and accept that it is a long time historical and traditional belief by elders and all First Nations people that quality health care services and non-insured health benefits are a treaty right.

First Nations people have asserted this right since treaties were first signed with the Crown in 1870. The federal government believes health services are provided only as a matter of policy. Why then will it not provide an explanation for this position? Why will it not enter into nation-to-nation dialogue to examine the assertion that health services are a treaty right?

It is constitutionally, legally and morally wrong for the federal government to make unilateral changes to health services without the agreement of the First Nations.

Is the minister aware the Supreme Court has ruled the federal government may not modify policy which impacts on treaty rights without first seeking the concurrence of First Nations? Why does the minister and his government speak of the right to self-government but act differently? The contract for non-insured native health services was given to Blue Cross by selected tender. Why were First Nations not offered a chance to bid?

In giving the contract to a non-native corporation the government is taking away from First Nations people the opportunity for employment, decision making, accountability and self-determination.

Administering this new program will provide employment opportunities. First Nations communities experience 90 per cent unemployment. Of the 125 employees employed by Blue Cross in Manitoba two people, 1.5 per cent, are aboriginal.

The minister believes that the Blue Cross administration will better serve aboriginal people in Canada. Surely then he must admit that this new policy is not without its own shortcomings. How can he unilaterally determine what is best for aboriginal people without having their full support and participation in any decision-making process? He has also stated that his department will continue in collaboration with aboriginal people.

In closing I ask the minister to consider that a number of Manitoba First Nations and tribal councils have willingly put together plans for managing this package of non-insured health benefits. This would be self-government in action. He should make public to the First Nations people of Manitoba, as they have repeatedly asked, the Manitoba Blue Cross contract document. Why is the federal government holding back?

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, non-insured health benefits or health services are provided to registered Indians and Inuit in Canada by the medical services branch of the Department of National Health and Welfare.

Some services include the provision of prescription drugs, medical supplies and equipment, transportation for medical reasons, vision care services such as eyeglasses, and dental care. The non-insured health benefits program is designed to help registered Indians and Inuit reach a level of health comparable to that of other Canadians.

Non-insured health benefits of various types have been paid for and provided to registered Indians and Inuit by the federal government for many years. In 1979 a variety of policies, practices and guidelines were replaced with a new Indian health policy. This was based on three principles of community development, the traditional relationship of the Indian people to the federal government and the utilization of the existing Canadian health system.

Since 1979 national non-insured health benefit program expenditures have increased from $36 million to over $400 million in 1992-93. Eligible beneficiaries have increased from 325,000 registered Indians and Inuit in 1979 to 560,000 in 1992.

• (1815)

Because of criticisms about the lack of adequate management and control of non-insured health benefits programs, Health and Welfare Canada was asked by Treasury Board and the Auditor General to make concerted efforts to implement administrative improvements.

This has been accomplished by the development of directives and administrative procedures coupled with the development and implementation of a health information and claims processing system under a contract with Ontario Blue Cross.

First Nations were informed of the changes and officials of the Department of National Health and Welfare met on numerous occasions to describe the changes and inform First Nations leaders and communities of the program. Workshops have been held in many regions at regional, tribal and community levels.

The Manitoba First Nation leaders have taken the position that the directives are an attempt by the federal government to define treaty rights unilaterally. Manitoba chiefs have also claimed that implementation of the automated claims processing system by Blue Cross is a move to transfer federal responsibility to the private sector.

The position of the federal government is that the program is derived from the Indian health policy and changes to it in no way prejudice or are intended to prejudice treaty rights. The federal government retains full control of the non-insured health benefits program and Blue Cross is merely providing administrative support for an automated system to process claims and provide information on benefits utilization.

The system is operating and functioning well in Ontario, Saskatchewan and Quebec. Health and Welfare Canada did not have the capacity to operate the automated process and pay the bills. It decided to identify a company with the capacity to develop and operate the system through the normal Supply and Services Canada tendering process. Open tender was called from the companies with experience in the area of health insurance. A significant number of companies indicated interest and attended the bidders conference. Four of those companies or groups submitted tenders from which the successful bidder was picked. Blue Cross was the successful bidder.

Health and Welfare Canada is committed to self-government and has approached First Nations leaders to discuss the development of a framework with which non-insured health benefits can be considered for transfer. One of the prerequisites of central agencies prior to approval being given to the transfer of this program is that the costs should be within control.

The automated system allows the department to demonstrate the real costs of the program. This information allows for accurate forecasting expenditures and the development of a formula or formulae for allocations upon transfer.

As soon as these parameters are developed and agreed upon, transfer authority will be sought.

PEACEKEEPING

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise as a follow-up to a question I raised with the Minister of National Defence on February 16. It concerned peacekeeping.

The tenor of the question was based on the concern and observation that there are a number of red flags being thrown up regarding the manner in which we deploy our troops, the risk that is under way and the strain on personnel resources and operational maintenance resources for the remainder of the Canadian forces. The fact that these operations take place without consideration in Parliament I believe is the overriding concern.

Another reason for the concern and the real reason I am here tonight is that I see the Canadian forces participating in peacekeeping operations because of their excellent record in this regard and because of the understandable desire of any government, including our own, to participate and continue to participate given the condition of the world today.

There is a point when I believe discretion has to be used. Peacekeeping in the last four years has more than doubled. In fact more peacekeeping operations have taken place or been generated in the last four years than in the past forty and I do not see that decreasing. I will tell you why. There are 179 countries in the world today speaking 4,000 languages. I think 60 of them have a population of one million or less and 40 of them have a population of less than 200,000. More importantly, less than 10 per cent of these countries have a homogeneous ethnic population and less than 5 per cent have an ethnic group that accounts for more than 75 per cent of the population.

Therefore what you are in fact seeing is an explosion of nation states downward to the point where they are really comprising the smallest ethnic or religious groups.

• (1820)

In fact it is tribalism. These forces of tribalism and nationalism are intractable forces. I think you are going to see more and more of it as time goes by.

If you add to that the low level of tolerance that seems to be dominant in the world today for religious, social and ethnic differences, then I think that is another nail in the coffin for more peacekeeping operations.

I should really call them peace operations because, Mr. Speaker, as you are well aware, the United Nations is now responding to peace operations in many ways, not just peacekeeping in its traditional sense as we know in the Cyprus operation in which we have been involved for many years.

There are things like humanitarian assistance as we have in Somalia, guarding food convoys as we have in Bosnia and indeed such things as election monitoring as we have in Cambodia. None of these operations, despite the heroic efforts of the men and women in the field, appear to be moving with a great deal of success. That is another reason why we have concerns.

I merely want to follow up on the minister's response which touched on the business of some time in the future being discretionary only because we will have run out of resources. I trust that my remarks will have some influence on the minister and indeed on the government as they make future decisions on committing our forces to peacekeeping operations.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it is a pleasure for me to be able to reply on behalf of the hon. Minister of National Defence, particularly to my hon. friend from Bonavista—Trinity—Conception. You may not know this, Mr. Speaker, but our ridings are side by side at least for one patch of about 30 kilometres.

The point that my colleague makes is one that I guess should have been obvious to many of us over time. It is one that is only becoming evident now as Canada continues, by the force of its tremendous reputation, its tremendous commitment and tremendous quality of her forces to be asked to participate in the variety of operations that my colleague referred to earlier.

The point he makes that should have become evident and is now very much becoming evident is that it cannot go on forever. Canada cannot be everywhere all the time. That I think is clearly understood in a number of ways by national defence.

For instance, in Somalia, while we are part of the enforcement action, we have made it clear to the United Nations that we are not going to be able to be part of the subsequent UNOSOM II process. These are decisions one has to make.

It is clear that each operation must be evaluated not only in terms of risk but in terms of personnel, equipment availability and duration. For Canada to assess its position in any United Nations operation, it must be assessed in light of that capacity and also the impact that it has on the ongoing numbers and responsibility of the Canadian forces.

Another response involves obviously the ability of Canada to be more creative in the approaches it takes in meeting these responsibilities in these calls.

The minister while appearing at committee the other day said something and I will not go through the whole quote. She said:

> We are looking at a number of new ideas on how to participate in future peacekeeping operations.

One emphasis she would put is perhaps on our skills within our forces as opposed to simply people. The effort that we have made in developing the capacity of our reserves is particularly important. Our troops are very well trained. They are very well prepared. When the reservists are sent into these situations, they receive the same 90-day course that our regular forces receive.

There are 460 reserve peacekeepers serving on United Nations missions at present. They are constituents of mine as I know they are constituents of my friend across the way.

We must have a flexible general purpose combat capable armed force. The number of the reservists in our forces makes that possible. They have a number of roles to play.

It is critical that the Department of National Defence reinforce that with funding. That is important. I know my friend, even though his experience is on the sea, will appreciate that the land forces component of national defence will see a 12.3 per cent increase in expenditures over the last fiscal year.

• (1825)

Mr. Speaker, I see you giving the message that my time is up. I commend my colleague for raising a point that is important. I hope I have been able to shed some light on it. I certainly appreciate your endurance this afternoon as I go on far beyond my time, as is quite often the case.

ECONOMIC STATEMENT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, the day after the Minister of Finance tabled his economic statement last December I rose in the House and asked the Minister of State for the Environment what the impact of that particular statement by the minister would be on the government's green plan, be it the number of programs that are involved with that, the Fraser River basin management plan, model forests and other particular programs. I asked that of the government because it was, as many people said then, a black day for the green plan.

We have seen further in the estimates today a new way of cutting funds. It is called reprofiling of funds for some very important programs.

I hope that tonight the parliamentary secretary can respond and shed some light on the nature of the funding of the green plan because I think it is fair to say that for many who have been following the plan, it has been very difficult to determine department by department, with the profiling or the reprofiling by the government of the funds in the green plan, where we actually are at when it comes to the funding under the program.

I note under the estimates that were tabled today in the House that the government is intending to release a progress report on the green plan in April. I would encourage the government, through the parliamentary secretary, to make a very clear outline of just exactly where we are going with the funding under this particular program.

It is very important to the country that we know what is happening with the green plan and many of the projects under that taking place in our ridings. I referred previously to the Fraser River program in my area. There is a model forests program taking place there as well.

I would ask the parliamentary secretary if he could address some of those comments and certainly take it to the minister. When this progress report is released, let us have some progress, let us have some light shed on just what kind of spending plans there are by this government for the green plan.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I certainly agree with my hon. friend when he talks about the importance of the green plan. As you know very well, Mr. Speaker, this indeed is the first long-term comprehensive environmental protection program put forth in Canada by any government. In fact, not only is it a first in Canada, but indeed it is a first throughout much of the world.

That is one of the reasons why Dr. Mostafa Tolba, who was director of UNEP prior to Elizabeth Dowdeswell, was so supportive of it.

On the other hand, the Government of Canada is facing some very harsh economic realities based upon the fact that we have a national debt which exceeds $400 billion. We have annual deficits running in the $30 billion range due to the excessive expenditures which occurred at an earlier time and under different circumstances.

I want to stress today, and I think my hon. friend is probably aware of it, that while most departments in the federal government are either experiencing a freeze or in some cases even having to accept a reduction in the amounts available to them, the amount of money available under the green plan has actually been increasing on a year-by-year basis.

For example, the Main Estimates for 1993-94 total $351 million which, according to my calculations, is a 23 per cent increase from 1992-93. That is a very significant increase. Indeed, it demonstrates that the principal objectives of the green plan will clearly be met, albeit over a greater extended period of time than originally anticipated.

I think it is important for us to remember that the green plan is about a lot of things other than just spending. I think one of the dangers quite frankly is we tend to measure government programs only in terms of dollars spent. I think that is a false premise on which to evaluate.

The green plan is about decision making. The green plan therefore is about our ratification of the Convention on Biodiversity where we provided such leadership at Rio.

The green plan is about the Environmental Assessment Act that has been proclaimed into law and will soon be implemented.

The green plan is about the fact that the North American free trade agreement itself was subjected to environmental assessment, the first such major policy initiative so subjected in Canada.

It is about pulp and paper regulations which are very important in your province, Mr. Speaker. It is about a code of environmental stewardship.

Mr. Speaker, if you would give me additional time, which I know you cannot do under the rules, we would have a greater opportunity to discuss how this plan is so significant to decision making.

We must remember that the green plan is more than just spending. It is how decisions are made. That will be the ultimate value of the green plan in years to come.

[*Translation*]

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 38(5), the motion that the House do now adjourn is deemed adopted.

The House therefore stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, February 26, 1993

The House met at 10 a.m.

Prayers

[*Translation*]

VACANCY

NORTH VANCOUVER

Madam Deputy Speaker: It is my duty to inform the House that a vacancy has occurred in the representation for the electoral district of North Vancouver, British Columbia, by reason of the death of Mr. Chuck Cook, and that in accordance with subsection 28(1) of the Parliament of Canada Act, the Speaker has addressed his warrant to the Chief Electoral Officer, dated February 25, 1993, for the issue of a writ of election for the said electoral district.

[*English*]

Mr. Horner: Madam Speaker, I rise on a point of order. I would like to ask unanimous consent of the House to table the 12th report of the Standing Committee on Justice and the Solicitor General.

Madam Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

• (1010)

[*English*]

JUSTICE AND SOLICITOR GENERAL

12TH REPORT OF STANDING COMMITTEE

Mr. Bob Horner (Mississauga West): Madam Speaker, I have the honour to present, in both official languages, the 12th report of the Standing Committee on Justice and Solicitor General.

Pursuant to Standing Order 108(2), your committee has considered questions relating to crime prevention and your committee agreed to report it with recommendations for a national strategy on crime prevention.

Pursuant to Standing Order 109, the committee requests a comprehensive response to the report within 150 days.

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

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, I rise on a point of order. I think you will find unanimous consent for this House to proceed immediately to the motion for concurrence in the sixth report of the Standing Committee on External Affairs and International Trade, standing in the name of the member for Winnipeg South Centre, and that after the first three speakers and no later than 11 p.m., the debate would be deemed adjourned and therefore resumption of debate would be transferred to Government Orders.

Madam Deputy Speaker: Is there unanimous consent?

Mr. Langlois: Madam Speaker, I just want to make sure that I heard 11 a.m.

Madam Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Hon. Lloyd Axworthy (Winnipeg South Centre) moved that the sixth report of the Standing Committee on External Affairs and International Trade presented to the House on Wednesday, September 16, 1992, be concurred in.

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

Mr. Axworthy (Winnipeg South Centre): Madam Speaker, I would like to begin this debate by indicating my appreciation to members of this subcommittee.

I would like to compliment the chairman of the committee, the member for South Shore, the member for Drummond who spent many hours working, and the member for Victoria. I would like to compliment the hon. member for Don Valley West, the member for Northumberland and the member for Cambridge.

I say that because in my 14 years of experience in the House this committee was one of the most important inquiries undertaken by a Commons committee. It did not receive a great deal of publicity but it delved into issues that go to the very heart of the significant changes taking place in the world around us and the impact that those changes have in our own country.

It opened up for many of us a look at the arcane, confusing and dangerous world of the international arms trade and Canada's role in that precarious business. It made us look very seriously at the question of the defence industries in Canada and what was happening to them. It made us look at how they are being affected by the substantial shift in procurement policies and the whole nature of the development of high technology that was so much part of the defence weapons systems during the cold war. They are now being substantially altered and affected by a major shift toward a peacemaking capacity for Canada.

It made us come to grips with some very tough choices as Canadians. I do not in any way underplay the incredible, tough, realistic problems that are faced by many communities, businesses and Canadians in making decisions about whether we continue as we have been doing. We are a reasonably significant player in the production of arms in this country.

Can we make a turn in the road toward a different attitude, a different approach occasioned by the demands of the post cold war world?

Perhaps the importance of the work of the committee has been highlighted in the way that the estimates that were tabled in the House of Commons displayed a certain set of choices.

On one hand we know there are significant cutbacks for economic development for native people, promotion of cultural activities in this country, young people in education and training, health care and seniors. There is a whole list of Canadians who are being asked to sacrifice on the basis of restrained budgets and limited resources. On the other side of the ledger there is an increase of $1.4 billion to a helicopter project of $4.4 billion, bringing the total to $5.8 billion for a weapons system that is becoming increasingly irrelevant in terms of the changes going on in the world around us.

• (1015)

At some time there may have been justification for the submarine detecting helicopters it bought in terms of our cold war responsibilities as a member of the NATO alliance.

Surely in today's world when the submarine threat is no longer there and the Russians have downed tools in large part, for us to proceed with a massive expenditure of $5.8 billion while at the same time making substantial cuts across the board in a whole range of industrial, economic and social programs just shows how crucial it is that this country get its mind around, and get a grip on, the real priorities in Canada.

That is what this committee tried to do. It tried to understand that the weapons trade is not in the best interest of Canada. One of the most tragic sets of figures and facts presented to members of the committee showed how in so many parts of the world the billions upon billions of dollars being spent on arms work to victimize women, children and people who no longer have the means of the basic essentials of life.

Somalia is a good example. We are now mounting massive efforts in Somalia through the UN not only to keep the peace but to rebuild the society. In the 10 or so years up to the outbreak of the civil war a billion dollars worth of arms was poured into Somalia by the Americans, the Russians and others. Now the UN and Canadian troops are having to contend with those arms. There are enough weapons in Somalia to keep that conflict going for 100 years.

Now we are paying an enormous price for it in trying to keep the peace because of this vast haemorrhaging of arms exports.

During the gulf war one of the great declarations made by the Prime Minister and others was that we were fighting the war to secure the peace in the Middle East. One of the objectives was to suffocate the arms race in the Middle East and to suppress the vast amounts of money that went into places like Iraq with which we have to contend afterwards.

What has happened since then? One report I read recently said that in Iran alone over $100 billion is being spent on new arms. The United States of America has just finished in the last fiscal year exporting close to $6 billion worth of arms into parts of the Middle East. Regretfully and sadly, our own country is also becoming an arms supplier in this most volatile of areas.

It would be a foolhardy person not to know that some day those arms may come back to haunt us. We will be paying a much larger price in terms of the blood of young men and women because of the need to make a profit.

In southeast Asia last year alone close to $90 billion was spent on arms. That takes away money that would be much better used for the development of the human potential in these areas.

One of the sadnesses we have is the need for all of us to see how we can provide some leadership. My colleague from Nepean points out another very important and salient fact. The United States of America spent $1 million a day in El Salvador. Now the amount of money the international community has to put in for peacekeeping efforts must try to contend with that incredible arsenal which was built up over the years.

• (1020)

This committee tried to come to grips with that issue by saying that we know that Canada alone cannot do the job. We must do a better job than we are doing to give a message to the world that the proliferation of arms must come to a halt. That is the reason for the recommendation to have a much tougher munitions control register. It was designed to say that we would not be party to sending arms to any area, region or country in which there are human rights abuses, civil conflict, or dictatorships using those arms to suppress people or create violence or conflict.

It is a message and a signal to other countries to hopefully follow the lead. It does not mean to say that arms exports are prohibited because we recognize the reality that we do have allies and friends that we have some mutual interest in supporting, such as NATO, the United States and some other places.

We want to make sure there is a system in which there could be a clear requirement that exports would only go to countries on the list and that there would be a transparency to that list so we would know who they are. We want to make sure that it would not be decided inside the bowels of External Affairs and all of a sudden an announcement would be made and before anything could be done it would be over, as happened with the sale of light armoured vehicles to Saudi Arabia.

Furthermore, and it is a very important principle, we felt it crucial that Parliament have a role and that the elected representatives of the people of Canada should be given some opportunity to determine whether we want to sell arms to country A or country B. Therefore there is a requirement for tabling the name of any country that would go on this list to be reviewed by Parliament if we so decided.

We also understood that once that was done the system should be reasonably efficient in its processing. There is no reason to hold up companies unduly. Once the country was on the list then the processing could take place with some degree of effectiveness. The point of the matter is that we believed it was time for Canada to take some leadership.

We also recognized at the same time that it is not simply enough to put a prohibition or a limitation on the sale of arms. We have to look at the much broader and more critical substantial issue of how to convert those defence industries that have been creating arms to effective peacetime uses. This is a very important issue that is being faced by all countries.

It was interesting to see that in the campaign statements of President Clinton he talked about how to begin to transfer the enormous research and development capacity of the defence establishment into an effective reallocation to peacetime uses.

Our committee concluded exactly the same thing. It is important for Canada to begin to do the kind of analysis and reconstruction of its own policies to support and facilitate the conversion of our defence industries.

We came to that conclusion for a couple of very good reasons. First, our defence industries contain some of the best high technology minds in the country. It is on the high technology end that we have been providing parts and components over the years and we do not want to lose those skills.

Surely we should have learned from the example of the Avro Arrow that those people working in those industries have incredibly good skills that could be used for other purposes.

Let me give one very good example. We all recognize, at least on this side of the House, that the whole issue of peacemaking is becoming central to our security. The contribution to and involvement in international collective security initiatives, whether in Bosnia, Somalia, Cambodia or wherever, is really the security issue of the future.

We believe we have to shift our spending priorities in the defence department to meet those requirements so that Canada can fulfil its role as a peacemaker. It is totally ridiculous and unacceptable for the Minister of National Defence to keep standing up in this House to say we have to begin pulling back our commitments on peacekeeping because we do not have enough money to get enough troops and to train and equip them properly.

At the same time she condoned, supported and endorsed an expenditure of $5.8 billion for helicopters which have no use in peacemaking. It is an absolutely and totally ridiculous contradiction in terms.

• (1025)

We should understand the time has come for Canadians and the Canadian government to make tough choices as recommended in this committee. It is time to shift our priorities and understand that the world has changed. We cannot have a Minister of National Defence walking around in a fog buying into the old cold war strategies and stratagems. That simply does not do any good for our international reputation and what we can do in our own country.

One of the opportunities this new peacekeeping role represents is the need for new kinds of technology for verification, observation and monitoring to make sure that arms are not spread into countries and we can monitor what happens to nuclear plants in Iraq if need be. There is an incredible need at the United Nations level and other areas for a much more sophisticated international monitoring observation system. We are well equipped to begin making contributions in those areas, to help our industries develop a capacity to meet the world-wide need for those peacemaking technologies.

That is what the report talks about. It was a very important insight for us to see many of the plants. Our engineers and skilled technicians are anxious to get into those areas but unfortunately the fix of government policies in a sense almost prohibits it because we are not interested in supporting that. There is no conversion plan for Canada. The DIPP funds are not designed for conversion. They are designed to keep doing the same old thing.

An hon. member: Don't forget environmental technology.

Mr. Axworthy (Winnipeg South Centre): I am going to come to that in just a moment. In the second dimension, the onus is not simply on the shift of military priorities to peacemaking. There is also an incredible opportunity to use technologies presently located in our defence industries for a wide variety of civilian uses.

My friend from Broadview—Greenwood points out the incredible demand for new environmental technology. We met with officials of a company in western Canada that is now beginning to develop a technique for sensoring using technology which has been used for spy satellites. It will now begin to focus on how many fish there are in the North Pacific or what is happening to the glaciers in the north or what is happening to the atmosphere. It will use its sensoring techniques to detect the environmental changes occurring around the world. It is an incredible growth market. When asked to what extent the company can be assisted and helped in making that conversion, there is none. It is not there. It simply does not exist.

One of the most important and significant proposals contained in this committee report is that the question of conversion be made a priority for our government. The government should table a plan and restructure the DIPP program to encourage conversion techniques. It should establish a centre to help industries plan and develop to adapt to peacetime uses.

It is an incredible opportunity to reconstruct our industrial strength in this country. We can use our best minds and skills not in the production of weapons but in the production of new high technology jobs and products that the world is going to need.

This report should not go on the shelf. It needs to be read by every member of this House. It should be read certainly by government officials and ministers responsible. Certainly I recommend that the Minister of National Defence read it, if she is not too busy.

Maybe she would come to some understanding of the serious mistake she is making in not doing a significant reassessment, review and reallocation of the priorities within that department. Then we can begin moving into areas that would give Canada some real leadership and some real opportunities internationally to try to suppress the developments in the arms race. At the same time and in the same way we can come to grips with the need to change our own priorities at home and to begin to stimulate, encourage and facilitate a shift and change in our defence industries to meet peacetime peacemaking uses.

It was a great privilege being a member of that committee. The document itself will serve in the future as part of a blueprint. It is not complete, committees cannot do that. It sets the direction, it sets a way. It tries to break out of the old thinking and tries to look ahead. For that reason I strongly recommend that members of this House endorse and support this report and particularly that members of the government read it.

• (1030)

Mr. Pat Sobeski (Cambridge): Madam Speaker, I was not sure if we were going to have a period for questions or not, but I will commence my debate.

I was a member of that subcommittee. Indeed, it was a wonderful opportunity for myself, for my colleague from Drummond and for other members of the committee to look at this matter and put forward the report, *Future of Canadian Military Goods Production and Export*.

I want to take a few moments to put on the record some comments on the existing Canadian export control system which I believe is one of the strictest in the world. That is what the debate wrapped around. Canada as a nation probably has one of the strictest export control regimes in the world. I think that has to be understood.

The question is how to improve or why change something that is the strictest? It is important that people understand that export control permits just do not relate to guns. They relate to a wide range of items.

Canada has consistently advocated arrangements at the international level. These have been aimed at building security frameworks that effectively take account of both the military and non-military threats to security, that promote habits of dialogue and co-operation and that emphasize conflict prevention rather than conflict resolution by force.

Unfortunately, despite the great progress in the security and arms control field in recent years, we have not yet achieved the degree of success Canada wants and needs. For the foreseeable future Canada and other countries will still have to maintain a reasonable level of armed forces to deter, and if necessary, to respond to military threats to security and to participate in collective security and peacekeeping operations.

The need for countries to maintain reasonable levels of armed forces was fully recognized in the arms control initiative announced by the Prime Minister and the Secretary of State for External Affairs in February 1991. This initiative called for efforts to prevent excessive buildup of conventional arms. By excessive buildup of conventional arms Canada means a buildup that goes beyond reasonable defence requirements. Canada is not proposing to stop exporting and importing military goods, nor is it telling other countries to stop doing so.

At the global level Canada was a leading participant in the negotiations in the UN leading to the establishment of a global conventional arms register. Canada must now work to ensure effective implementation of that register and will seek to build on it with the view of increasing the scope of its coverage and providing further avenues of consultation.

At the national level Canada has for the past three years issued an annual report on the export of military goods from Canada. I know that the member from Winnipeg mentioned Somalia, Iran, El Salvador. If Canadians looked at the report that is issued annually, Canada has not sent $1 worth of items under the export control list to those three countries. I think he did acknowledge that Canada is not participating.

The matter they want to deal with is: "We have to take this export control list and apply it to countries rather than the process of each individual application being looked at".

What I would like to do now is read some comments I had put into the particular report. Again, I mention that the existing export control permit system is one of the strictest in the world. I will read directly from the report: "One committee member", which is myself, "strongly believes that the recommendations relating to establishing a munitions country control list will produce undesirable results".

• (1035)

I argued that to merge the items on the export control list group two with the rules to establish a country on the automatic firearms country control list would not produce a stable and transparent public policy environment and would place Canadian business at a competitive disadvantage.

The proposed munitions country control list would initially consist of only 10 countries, since only Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Sweden, the United Kingdom and the United States have concluded intergovernmental defence research, development and production arrangements with Canada.

I want to digress for a moment. If we want to send firearms to a country we have to go through a lot of work in the development of arrangements. This is very difficult to do, and Canada has only set up 10 such arrangements with 10 countries.

The proposed munitions country control list process would establish a process that tells Canadian companies that they can expect a permit to be issued without delay to allow them to sell bombs, torpedoes, rockets and missiles to Denmark but they could be denied permission to sell transport aircraft spare parts to Kenya. For example, this could have meant that in 1990 exports to Brazil of underwater detection devices, to India of electronic generators, to Kuwait of bomb disposal suits, to Morocco of aircraft flight simulators and to Singapore of fire control systems would not have been possible.

Rather than the current system of examining each application on its own individual unique merit their suggestion is that once a country is approved then anything can be sent to that country. That is important to understand because this would have meant that in 1991 exports of military goods or components that come under the Export Control Act, and that includes things such as fire control systems and bomb disposal suits, to countries such as Australia, Japan, the Republic of Korea, New Zealand, Portugal, Spain and Switzerland, which represents about 30 per cent of the controlled Canadian sales, would not have been permitted.

As a result of this recommendation we would say to Australians: "You are not on this list and therefore we do not trust you". That is the impact of the recommendations that they are making.

I further argued that this formula process could not be used as each case must consider the present climate in the country of destination, the goods to be exported and the potential end use. The current export control system already addresses every application as having a possible unique circumstance.

Canada can take a lead at the world level, and it already has in the UN, but part of the recommendations in this report basically say to the Canadian industries involved in this area: "We do not want you to do any business. We want you to go out of business", because that is the stranglehold that they would put on these businesses.

There is also the question about whether we should help these companies to convert. I can assure the House, based on the witnesses who have come forward, that companies already recognize that the cold war is over and that countries are not buying the amount of military goods they used to buy. It is a changing world and the businesses in that industry recognized that many years ago. They have already started their own conversion programs.

Therefore this is best left to those sectors that are motivated by profit because they recognize that they are in a shrinking market and that they must diversify and use the skills and technologies they have. A lot of the products they make do have dual purpose uses.

• (1040)

I think industry has already recognized that. If industry is sitting back waiting for the government to put together a committee to go out and tell all these companies how they should convert then those companies will not survive. Those companies have already started to do that.

There are many things in this report that I like and I support. However, I do not agree with the recommendation to change the export control permit. It already issues reports, is very transparent and is considered to be one of the strictest in the world. I do not believe there is any evidence to indicate we should change it.

I could continue but I know that my colleague from Victoria certainly has his point of view. He expressed it in committee and I know he will do so on the floor of the House. I will now yield to him.

Mr. John Brewin (Victoria): Madam Speaker, I rise to support the motion that this House concur in the recommendations of this committee's report. The committee worked very hard to produce a constructive and useful report on this important issue and I think the recommendations are to be commended to the House.

Let me recall how this subcommittee came about. At the time of the gulf war the world became aware of the fact that the arms trade, which in the first sentence of this report is called a monument to cold war international relations, had turned the arms production industry which grew out of World War II into an export trade to developing countries. By 1977, 80 per cent of the world's production was drifting into developing countries. We saw the folly of that in the gulf war. There was a brief moment when it appeared that the world might be resolved to try to deal with that issue, to try to bring the arms export industry around the world, and the scandal of the arms sales, under control.

Our Prime Minister made a very eloquent speech during the gulf war calling on the United Nations to convene a world summit to deal with arms exports. However within weeks of the end of the cold war the government seemed to have forgotten the eloquent statements and brought before this House Bill C-6 which authorized the sale of arms to Saudi Arabia, contrary to previous government policy.

In the course of that debate the government conceded that the issue needed to be examined by Parliament. I was very pleased that the Minister for International Trade accepted my proposal that a subcommittee be established through the committee on external affairs.

In the summer and fall of 1991 the committee began its work. We travelled across Canada and heard representations from people throughout this country, from Victoria, Vancouver, Winnipeg, Halifax, Montreal and Ottawa. We also heard from experts and government officials. I believe that we have put together in this report a very useful examination of how the world got into this mess and of Canada's contribution to it.

It should be understood that Canada is the eighth largest producer of arms on the globe. It is the 14th largest exporter of arms in the world. We contribute to the problem and we have a responsibility to respond.

The committee report could be divided into a number of sections.

• (1045)

First, we emphasize the importance of Canada using its diplomatic energies in multilateral efforts to bring the arms export industry around the world under control. It is not good enough for Canada to get its own act together. We have to work with other countries, most particularly with the industrial countries, to come up with enforceable common policies to reduce and control the export of arms.

We also have to work with the developing countries to produce secure regimes. Many developing countries are forced by the arms sales to their neighbours to respond in kind. Others are attracted to arms as a means of keeping their own governments in power. That is one of our concerns about sales to Saudi Arabia.

We have to work with other countries to try to produce a secure international order. That must be at the heart of our work in this area. Without that any efforts we make in this country will come to nought.

However, we have a special obligation to get our own act together, particularly if we are going to push other countries in this direction. The committee report outlines some very specific recommendations to make that happen.

We recognize in the report that there may be legitimate reasons for Canada to produce arms. We may need to supply our own police and armed services. The United Nations peacekeeping efforts will require arms. Under appropriate circumstances there are legitimate requirements for military arms to deal with those who would break international law.

Therefore it becomes important that we establish an effective arms export regime. This committee report takes the current regime, which is totally internal to the government, and changes it into a statutory regime accountable to Parliament.

As things now stand the government has its own policy and whenever it wishes to make an exception it can do so. The only reason there was Bill C–6 was that because of a particular provision in the Criminal Code in respect of small arms the government was forced to come to Parliament to get a change. But for that the government would simply have changed its policy internally, without any accounting to Parliament at all. It is very important that the arms export system be established by Parliament and be accountable to Parliament.

The system should have two key elements to it. First, there should be a listing of countries to whom arms exports would be acceptable. All other countries would be outside the purview of the export system and exports to those countries would be illegal. If there was an interest in exporting to a country not on the list the government would have to come to Parliament and have the list amended. Second, each transaction would have to be reviewed and, in my view at least, subject to a parliamentary review.

The second element of the policy outlined by the committee is the conversion and diversification of the arms industry. As long as an arms industry exists there will be pressure, as we saw in Bill C–6, on governments and on Parliament to approve exports in the interest of maintaining employment.

Therefore for that reason alone it is very important that we begin to change the industrial structure of this country. In the period after the Second World War, and in particular after the cancellation of the Avro Arrow, the Liberal government of the day embarked on a policy of encouraging the Canadian defence production industry through subsidies and other programs.

• (1050)

So an industry has developed in response to government encouragement, yet it must now face the economic reality that not only are defence budgets beginning to decrease around the world but that the public is calling on governments to control and reduce defence production.

It is a bad, declining, and difficult industry to be in. Therefore from a strictly economic and social point of view it is important that the government encourage a change to civilian and other uses.

It is also important if we are to ensure the maintenance of an effective arms export regime that is not subject to pressure every time a company needs new markets.

We see now today a government which seems determined to ignore the wisdom of this parliamentary committee report. We still have not had a reply from the government. It carries on its policies as if this report did not exist, which is probably not a new phenomenon but continues to be a matter of disappointment. I wonder if the Minister of National Defence or the Secretary of State for External Affairs have even read the report.

It would be very interesting to hear the views on this from the government itself because what happens is that the government gets advice from the bureaucrats who are administering the policy the way they would like to. It seems to me that the government should be ready to rely on the wisdom of a parliamentary committee report and on the wisdom of Parliament. After all this subcommittee went out to the general public in this country to develop a balanced policy that respects the interests of all who are involved, that fits within the over–all policy of this country, and that the public insists upon.

We now see the phenomenon of the government encouraging more sales to countries in the Middle East despite the government's statement that arms exports should not go to areas of potential hostilities. Next week in Ottawa the government is convening a session with its trade commissioners inviting the world to come to Ottawa to look at our arms exports and our capacity to export. What countries are invited? They include Kuwait, Saudi Arabia, and Iran.

The high tech conference that is scheduled for next week is in direct contravention of the will of the Canadian people as we heard it during the work of this committee and it runs completely counter to the government's own stated policy.

Let me conclude by congratulating the member who introduced this motion. He is the official spokesperson for the Liberal Party on this issue and I am pleased to hear that in that capacity he is endorsing this report. I would hope other members of his party would be equally enthusiastic.

During the travels of the committee across the country there was the phenomenon of there frequently being two Liberal representatives. When those who favoured a restrictive policy were appearing before the committee the official spokesperson for the Liberal Party was there and was very supportive of their briefs. When the industry was appearing another member from the Liberal Party would be there and would be falling all over the industry representatives and saying how encouraging the Liberal Party would be to arms exports around the world and to defence production.

There were two voices from the Liberal Party. It would be very encouraging if we could believe that the member from Winnipeg actually represented the view of his party. During debate on Bill C-6 the member for Notre-Dame-de-Grâce took leadership on that issue. However, I fear that they represent a faint voice within their caucus.

• (1055)

I am looking forward to hearing their leader over the next few months stake his colours as firmly to the mast-head as the member for Winnipeg South Centre has in this debate.

It is crucially important to world order that the countries of the globe come to grips with this issue, and we have a chance now with the end of the cold war. The countries in eastern and central Europe that have themselves depended so much on military production will be looking to the western world to change its ways.

This report offers a guideline to do that. I call on this House to accept the report.

Madam Deputy Speaker: Pursuant to an order made earlier this day the debate is deemed adjourned and the order is deemed transferred to Government Orders.

Mr. Flis: Madam Speaker, I believe the order said that the debate would end at eleven o'clock this morning. Is there not five minutes for debate yet?

Madam Deputy Speaker: The order said that there would be three people, one from each party, and that it would end at the latest, at eleven o'clock. So we will go with Orders of the Day.

Mr. Sobeski: Madam Speaker, I think you will find that there is agreement in the House that if we did finish early that we suspend for a couple of minutes until eleven o'clock because everyone is planning their agenda around eleven o'clock. I think there is agreement to do that.

Madam Deputy Speaker: I agree with the hon. member. If the House is willing I thought it would be in the interest of the House for me to read the decision on Bill C-99 at this time and then we can suspend for three minutes.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-99, an act to amend the Small Businesses Loans Act and another act in consequence thereof, as reported (with amendment) from a legislative committee.

SPEAKER'S RULING

Madam Deputy Speaker: There are four motions in amendment standing on the Notice Paper for the report stage of Bill C-99, an act to amend the Small Businesses Loans Act and another act in consequence thereof, all in the name of the hon. Minister of State for Small Businesses and Tourism.

[*Translation*]

Motions Nos. 1, 2 and 3 will be grouped for debate but voted on separately.

Motion No. 4 will be debated and voted on separately.

SITTING SUSPENDED

Madam Deputy Speaker: The sitting of the House will therefore be suspended for a few minutes. I will return at eleven o'clock for members' statements.

At 10.55 a.m. the sitting of the House was suspended.

S. O. 31

SITTING RESUMED

The House resumed at 11 a.m.

Madam Deputy Speaker: The House will now proceed to members' statements pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

SUBSIDIES FOR DAIRY PRODUCTS

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, dairy producers in the Abitibi region object to Treasury Board's 10 per cent cut in subsidies for dairy products.

I think we should consider the consumer subsidy aspect. According to the arrangement between the Government of Canada, through Agriculture Canada, and Canada's dairy producers, the subsidy enables them to lower their selling price to the industry, which in turn reduces its price to the consumer by the same amount.

We realize that something has to be done about the financial situation of the Canadian Treasury. In fact, that is the purpose of most of the recommendations in the Auditor General's report. The Minister of Finance would be well advised to look at these recommendations and adopt a strategy for their implementation.

According to Rosaire Mongrain, president of the Abitibi dairy producers, their net income will be cut by 10 per cent.

* * *

[*English*]

DOWNSVIEW AIR FORCE BASE

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, the Metropolitan Toronto Hockey League, under the leadership of John Gardiner, has plans to build an international hockey and figure skating facility on 12 acres of land at the Downsview Air Force Base in Toronto.

This world-class facility will create instant construction jobs, long-term jobs in tourism, longer term jobs in fitness and amateur sport, not to mention the benefit to tens of thousands of figure skaters and hockey players, as well as a home for other Canadian cultural events.

The MTHL has raised the construction money from private sponsors and the government has declared the land redundant.

On behalf of all members of the greater Toronto Liberal caucus we urge this government to cut through the red tape and get this project going. It should remember its promise of jobs, jobs, jobs.

* * *

[*Translation*]

RIGHT HON. PRIME MINISTER

Mr. Gabriel Desjardins (Témiscamingue): Madam Speaker, speaking on my own behalf and on behalf of the people of Témiscamingue, I want to thank the Prime Minister of Canada for the energy and determination with which he served this country during the past eight years.

The people in my riding have always seen him as a true leader, whose tenacity, determination and courage are extraordinary. We will remember him as a man driven by a consuming passion for his country and as a man of great warmth and generosity who was sensitive and attuned to the needs of the regions.

Clean air, decentralization of federal services, regional development and a Ministry of State for Seniors are all initiatives that were welcomed by my constituents.

I therefore want to join my fellow citizens in wishing the Prime Minister and his family a happy and prosperous retirement, and once again, we want to say, loud and clear: Thank you!

* * *

[*English*]

GOVERNMENT WHARFS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, inshore fishermen in the Gulf of St. Lawrence can be accused of feeling that this government and particularly this department of fisheries have it in for them. First it was the imposition of dockside monitoring fees which these fishermen have had to fight in court. Then it was the attack on the bona fide licensing program. Now there is the standoff at the government wharf at Lismore right in the backyard of the Minister of Public Works.

It is true the federal government is making much needed repairs to the government wharf. Unfortunately this has required the destruction of a shed owned by a small lobster buyer. The fishermen believe a modest payment to the buyer to help replace this facility is warranted. The amount is negotiable.

Instead, the government wants to provoke a costly court battle with the fishermen, a battle neither it nor the taxpayers of Canada can afford.

Why does this government not try accommodation instead of confrontation in dealing with its inshore fishermen whose backs are against the wall because of its disastrous policies?

* * *

• (1105)

THE LATE DANNY GALLIVAN

Mr. Barry Moore (Pontiac—Gatineau—Labelle): Madam Speaker, we were all saddened today to hear of the passing of a great Canadian, Mr. Danny Gallivan.

All Canadians from coast to coast have lost an irreplaceable citizen and a friend. Danny Gallivan will best be remembered as a pioneer. He revolutionized sports broadcasting as we know it today. We will all remember the voice behind *Hockey Night in Canada* and the Montreal Canadiens. We will surely remember the excitement and the euphoria he brought to our living-rooms on Saturday nights. The scintillating saves and the cannonading drives were all synonymous with Danny Gallivan.

One could feel his love for the game but, more important, his love for his country. Although best remembered as an avid broadcaster, Danny Gallivan nonetheless contributed as much time and dedication to the greatest of his concerns, human welfare.

In fact his love for this country and its people may be best exemplified by the multitude of charitable organizations he supported and contributed to. As well, his love for the youth of Canada was unmatched.

We will all miss Danny Gallivan.

* * *

ABORIGINAL AFFAIRS

Mr. Raymond Skelly (North Island—Powell River): Madam Speaker, the Gwa'Sala and Nakwaxda'xw Indian bands at Smith Inlet and Blunden Harbour were forcibly amalgamated and moved to Port Hardy, B.C. in the 1960s.

This forcible amalgamation and relocation were exclusively for the convenience of the department of Indian affairs. Once the move was made the department of Indian affairs broke every promise it ever made to these people about housing, education, health and economic development. When they left it burned their traditional community so there could be no return.

The Gwa'Sala-Nakwaxda'xw sank into 30 years of hell, totally engulfed by social disintegration and social problems. One of the measures of these social problems was the fact that 300 children were apprehended by social services and taken out of that community. Some were adopted as far away as Europe, never to return again.

It is our hope that the Royal Commission on Aboriginal Peoples would meet on the north end of Vancouver Island to hold sessions in the community to inquire into the impact of the policy of the department of Indian affairs concerning forcible amalgamation and forcible relocation of Indian people with no commitment to the promises made.

In the case of the Gwa'Sala-Nakwaxda'xw—

Madam Deputy Speaker: The hon. member's time has expired.

* * *

IMMIGRATION

Mr. Doug Fee (Red Deer): Madam Speaker, in a survey last year my constituents expressed concern about the integrity of our immigration system. The majority supported the need to tighten up immigration laws to filter out those who would abuse our system.

I was one of several members who gave up time in my riding last summer to hear witnesses on Bill C-86, the amendments to the Immigration Act.

We were told by Immigration officials of cases where immigration officers would see a passport sticking out of the pocket of would-be refugee but had no right to seize the document. The power to search, they said, would greatly assist them in their efforts to prevent abuse.

We learn from the paper today that already those new powers are having an effect. Since the beginning of the month immigration officials have been able to seize several fake passports and documents, in some cases simply by asking people claiming to have no documents to empty their pockets. In one instance the phoney documents led to an RCMP investigation into a smuggling ring.

Canada is one of the most generous countries in the world when it comes to opening its doors to those who seek to enjoy what it has to offer. We want to continue our tradition of compassion but, to ensure this, officials must have the powers necessary to uphold our immigration system.

Madam Deputy Speaker: The hon. member's time has expired.

* * *

THE LATE DANNY GALLIVAN

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, it was sad to learn this morning of the death of one of Cape Breton's finest sons, Danny Gallivan.

The broadcast voice of the Montreal Canadiens for three decades, Danny Gallivan's high-pitched and unfailingly colourful description of the games transfixed hockey fans around the world.

For more than 22 consecutive years he did not miss a single game because of illness. His great contribution to the sport was recognized in 1982 when he was named to the Hockey Hall of Fame.

On a personal note, I count the Gallivan family among my friends and I want to express to them my deepest sympathies.

Danny Gallivan's Canadiens were undoubtedly the greatest hockey team in the world. Their heroes included Maurice Richard, Doug Harvey, Jean Beliveau, Guy Lafleur, Ken Dryden, and too many others to name here. But to me as a youngster, and even today, the greatest Canadien hero of all was the guy from down the road in Whitney Pier, Danny Gallivan.

• (1110)

[*Translation*]

VOLUNTEERS

Mr. Fernand Jourdenais (La Prairie): Madam Speaker, on February 14, I had the honour and the privilege as the federal member of Parliament for La Prairie to give nearly 50 people in my riding the commemorative medal for Canada's 125th anniversary on behalf of the Governor General.

More than 650 guests attended this ceremony where I was very pleased to honour and thank publicly these volunteers who have worked for many years to help my constituents in the arts, social affairs, culture and sports.

Such tribute had never been paid to them publicly and, as several of them said to me, this will help them continue to work tirelessly and even more eagerly to help the most disadvantaged and those in greatest need.

Congratulations to every one of them on behalf of all my constituents and in my own name. Any well-organized community needs such volunteers and should thank them in appreciation for their good deeds.

Once again, thanks to all.

* * *

[*English*]

MAIN ESTIMATES

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, yesterday's budget estimates brought good news for helicopter makers and spies but bad news for women and children.

Spending on military helicopters has skyrocketed from $4.4 billion to $5.8 billion and Canada's spy agency is richer by almost $12 million. Yet $1 million was cut from women's programs, $5 million was cut from the child care initiatives fund, and billions were lost for child care in dramatically reduced transfer payments to the provinces. The health and welfare branch, which funds family planning and health promotion, was cut by $20 million.

Funding to prevent unwanted pregnancies and their costly social and economic consequences began a rapid decline under the Liberals and is continuing under the Tories.

Why are military helicopters and spies more important than the women and children of Canada? This government continues to mouth a commitment to equality but takes our society in exactly the opposite direction.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Pat Sobeski (Cambridge): Madam Speaker, yesterday in Parliament the government introduced legislation to implement the North American free trade agreement. The NAFTA is the culmination of 14 months of negotiations and 6 more months of careful drafting of the text and the legislation.

In Canada the level of interest in the agreement is high. That is why the government strongly supported the all-party hearings which took place on NAFTA in nine cities across Canada and in Ottawa during the past four months. Over 100 presentations have been made.

It is now time to start the debate on the legislation itself. I am confident that informed and serious consideration will confirm NAFTA's rightful place as part of Canada's economic strategy.

The NAFTA is only one component of that strategy. That is why the government continues to press for successful conclusion of the Uruguay round of the GATT. Nothing could send a more powerful signal of economic confidence to all world markets.

I do not claim this agreement will produce economic miracles but it will create opportunities for business and in time contribute to solid job creating economic activity.

* * *

CHILD POVERTY

Ms. Mary Clancy (Halifax): Madam Speaker, the subcommittee on poverty is no joke. Child poverty is no joke. The fact that one million Canadian children are the clients of food banks is no joke either.

What is both tragic and laughable is the attempt of some hon. members to change the definition of poverty. It reminds me of a British farce entitled *Don't Raise the Bridge, Lower the Water*.

The philosophical meanderings of government members will be cold comfort for children on social assistance as well as the children of the working poor.

It clearly is time for the children of Canada to pull up their socks. Their government has just said to them: "You are not poor; you merely think you are poor".

It is interesting that today the justice committee tabled the unanimous report that deals far more sensitively and realistically with the whole question of poverty in this country. Perhaps government members on the justice committee could do some missionary work with their colleagues on the poverty committee.

* * *

REGIONAL DEVELOPMENT

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, during Question Period yesterday I pointed out that regional development spending in Quebec was slated to go up by $40 million, and I welcomed that, while support for similar programs in Atlantic Canada, northern Ontario and western Canada were being cut by $36 million. The President of the Treasury Board claimed in his response that two programs, the Montreal Development Fund and the Canada-Quebec Industrial Development Agreement, had not been approved in time for the 1992-93 estimates so they were included in the new estimates released yesterday and this accounted for the difference.

• (1115)

In fact, the details of the new estimates show that regional development grants and contributions were $161 million in Quebec in 1991-92, $142 million the next year and slated for $206 million this coming year. Even the $27.5 million—

Madam Deputy Speaker: The hon. member's time has expired.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Harry Chadwick (Bramalea—Gore—Malton): Madam Speaker, I rise in the House today to express my concern and dismay with the decision by the government to proceed with new runways at Pearson International Airport.

I am expressing the concern of my constituents who must live with the constant noise generated by Pearson's traffic. My constituents have been plagued by noise from airport operations for years with no relief or sympathy from the federal government. This latest decision by the government will only make an intolerable situation worse for the residents in my riding.

The government's own federal environmental assessment on expansion at Pearson recommended against taking any action at this time. The report by FEARO said there was lots of time to look at alternatives before building more runways. The government has obviously decided to ignore its own advice.

I charge that this decision is unfair and I urge the government to reconsider its course of action. It is up to the government to make sure that the people who live in the shadow of Pearson do not suffer for it.

* * *

CFB CORNWALLIS

Mrs. Coline Campbell (South West Nova): Madam Speaker, the Minister of National Defence came to Nova Scotia and stated that CFB Cornwallis would probably be closed. This statement was made without ever having visited the base, without having had time to see if it is cost-effectively carrying out its role for national defence and without ever having looked at the devastating effects such a closure would have on the area.

CFB Cornwallis presently trains and has trained since 1968 all English speaking new recruits for our Armed Forces. No matter what happens to this government, no matter which party is in power, we will need our Armed Forces. To sustain our Armed Forces we need new recruits.

Look at the difficulty this government has in meeting our UN commitments. Where would this government train new recruits? Why would it move this training base and incur massive new expenditures? Why would this minister say what she said without even knowing the facts?

I call on the minister to visit CFB Cornwallis before making statements that not only hurt the people in the area but which financially make no sense.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

Ms. Sheila Copps (Hamilton East): Madam Speaker, my question is for the Minister of National Defence.

At a time when more than 1.6 million Canadians have no jobs, at a time when more than one million children are feeding at food banks, the minister is promoting a helicopter deal with management fees alone of over $1 billion.

Yesterday we learned in the government's own estimates that another $1.4 billion had to be set aside for this deal. Can the minister explain why she is promoting a deal with management fees of over $1 billion when she does not have a penny for children at the food banks in this country?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, that is an extraordinary question.

There are enormous amounts of government money going from the federal, provincial and municipal governments to aid children in Canada. There is only one level of government responsible for national defence and that is the Government of Canada.

In establishing our priorities and investing in equipment that will protect Canadians in the future, that will enable us to participate in peacekeeping operations to preserve our own sovereignty, the Government of Canada, the Department of National Defence, has long-term plans for serious equipment.

As I have said many times, the equipment necessary for the Department of National Defence is not cheap. That is why when the government makes a decision to engage in a particular procurement policy we work very hard to make sure that procurement has the very best possible benefit for Canadians, not just simply in terms of the service provided by the ultimate equipment, but in the spending of that money.

That is why one of the things that is so important about this project is that $3.2 billion of industrial benefits come to Canada, 45,000 person-years of employment.

• (1120)

I was recently at a plant in Winnipeg where $260 million will be spent. Half of the members of that work force are women. This is a growing area of the economy which is important for all Canadians. Therefore—

Madam Deputy Speaker: I am sure the hon. minister will have the opportunity to continue.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Madam Speaker, we know that Montreal has 250,000 unemployed people. No more money has been provided for them; it is being cut. On the other hand the minister is promoting a helicopter contract with management fees of over $1 billion. The minister never told us that so much money from Canadian taxpayers would go into the pockets of foreign companies.

How can she justify giving over $2 billion from this contract to multinationals in England and Italy?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, $975 million from this project will go to Quebecers, in industries in the province of Quebec. It is important to point out, as I said in English, that this project will provide 45,000 person-years of employment for Canadians—men and women. Furthermore, this project will have industrial benefit, which are of the utmost importance for Canada.

It is an investment in the future of our economy which creates long-term jobs and long-term jobs are the best way to guarantee our children's future. It is not enough to educate Canadians and provide them with social services; they must have the chance to use their skills and education so that industry can employ them in the future. That is what we have supported with this investment.

Ms. Sheila Copps (Hamilton East): Madam Speaker, some children in Canada have nothing to eat today but the minister prefers to spend $24 million per helicopter in management fees.

[*English*]

According to the government's own briefing we are talking about a management fee for each helicopter of more than $24 million. We are talking about a contingency fund per helicopter of $10 million. We are talking about an amount of money going into foreign multinationals of $36 million per helicopter.

Now that the minister finally understands the outrageous nature of this expense will she cancel the contract?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, that is the most extraordinary arithmetic I have ever heard because if the management fee for each helicopter is $24 million, and I forget the other fee she referred to as being $10 million, we must be getting the helicopters themselves for free because the search and rescue version is $33 million and the naval version is $44 million. We are obviously getting a serious bargain.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, on February 8, 1992, when asked in this House about the total absence of a fair public bidding process on the helicopter deal, the government House leader alleged that Boeing Canada had submitted a bid for search and rescue helicopters in June 1990 and that it had been rejected by the government.

Supply and Services documents state that this is not a bid solicitation but an inquiry for price availability.

I want to ask the Minister of National Defence if she will take the opportunity to correct the record and admit that there was never a proper bidding process for these helicopters.

Hon. Paul Dick (Minister of Supply and Services): Madam Speaker, as a matter of fact in dealing with the process, the present helicopters were declared in 1978 by the previous government as not being able to meet the needs.

In 1981 it started looking for new types. In 1985 nine companies were asked to bid on it and in 1986 two companies did bid on it. In 1987 National Defence and the evaluation team picked the EH-101 as being able to meet the needs in Canada.

One of the major reasons for that is that the Boeing helicopter, even if refitted, would not have a de-icing capability. If you want to do search and rescue off Newfoundland and maybe take care of some of the fishermen, you need to have a de-icing capability. Otherwise you are looking for a second-hand, used aircraft and leaving your fishermen to the prey of the weather.

• (1125)

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, the government's helicopters expenditures will result in millions of dollars for management and contingency fees. Yesterday the estimates stated very clearly that an additional $1.4 billion has been set aside for this deal.

I want to ask the Minister of National Defence to confirm to the people of Canada that over $2 billion of the $5.8 billion contract will be going to E.H. Industries, the parent company, with plants in England and Italy. While the minister is on her feet, would she indicate to the House how many jobs will be created in those two foreign countries?

Hon. Paul Dick (Minister of Supply and Services): Madam Speaker, since they are asking a matter of contract, I should tell the hon. member we have a world-wide mandate on all EH-101s, about 10 per cent, which will create jobs for all EH-101s that are made around the world. There are 45,000 jobs of high-tech nature which will be—

Some hon. members: Answer the question.

Madam Deputy Speaker: Order, please. A question was asked and the answer deserves to be heard.

Mr. Dick: The members of the Liberal Party indicate that they feel there could be more jobs created with the same amount of money. We have experienced their make-work programs that last for 20 weeks and then the people go on unemployment insurance.

What we are creating here is a world-class—

Some hon. members: Answer the question.

Mr. Dick: Obviously they do not want to hear the answer. They are only interested in their own rhetoric. Perhaps they could ask the hon. member for Bonavista, who was the Rear Admiral and Vice Chairman of Maritime Command, and who is one of their members who supports this because I want to tell you, Madam Speaker, none of them know what they are talking about.

* * *

ESTABLISHED PROGRAMS FINANCING

Hon. Lorne Nystrom (Yorkton—Melville): Madam Speaker, my question is for the Acting Prime Minister, if I can get an answer from him, regarding transfer payments.

The minister knows that yesterday it was announced that because of the preliminary estimates from Statistics Canada on population figures that equalization for the small provinces of this country will be cut back. In fact, they will be asked to repay some $600 million over the next few years.

The Government of Quebec has said that it is inappropriate and unacceptable to use preliminary statistics in order to base this call for repayment of equalization payments.

I want to ask the minister the following question: why force the poorest provinces of this country to repay equalization based on preliminary figures? Second, why not use some time this summer to convene a federal-provincial conference on the equalization formula to try to adjust the formula which would help the poorest provinces in this country? Why not do that to help the poorer provinces?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I am very pleased to note that today the premier of Saskatchewan has been a little more attentive in his statement and said that what we are offering him is a fairly generous pay-back schedule.

That being said, these transfer payments are established by legislation. We are asking for money back but we are also giving hundreds of millions of dollars to the provinces, not because it is the whim of the Minister of Finance but because these are established programs that have an in-law regulation and it varies with population.

• (1130)

As for the legitimate concern raised by the hon. member, he said that they were based on preliminary estimates. We always do that but I can tell him without any hesitation that should these estimates vary and be made more precise in time, we will gladly make the adjustments.

Hon. Lorne Nystrom (Yorkton—Melville): Madam Speaker, the minister and his colleague the minister of defence are anxious to spend billions of dollars on helicopters but will not spend a few dollars helping poor people in the poor provinces of this country. That is not good enough.

We have a debt crisis in this country. There is a debt crisis in Saskatchewan. Its debt has increased in the last 10 years from $3.5 billion to some $15 billion. In light of that emergency situation caused by Conservatives in this country, I want to ask the minister whether or not he will consider emergency assistance to Saskatchewan and to some of the other poorer provinces that need it now.

Why all the money for the minister of defence on helicopters and nothing to the poor provinces to help ordinary people?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, the rhetoric of the hon. member sounds good but his numbers are wrong.

Let me tell him very briefly what we will be transferring to the provinces this year. On the Established Programs Financing, we will be transferring $21.358 billion. That is an increase of $1.3 million. On equalization to transfer money across the country as the needs arise, we will be spending $8.3 billion. On the Canada Assistance Plan it will be $8 billion. This is an over-all increase of $3.2 billion. We will be transferring to the provinces $37 billion this year. If this is not assistance to the provinces, I do not know what is.

Mr. Rod Murphy (Churchill): Madam Speaker, a supplementary question to the same minister.

In his first answer the minister said that the cuts are a result of legislation. Of course the minister is right. The cuts made by the Liberals in 1982 and the cuts made by the Conservative government in Established Programs Financing have hurt the poorer provinces of this country.

My province alone receives $280 million less in Established Programs Financing. Given that before this last cutback the province was already cutting funding to hospitals, to universities, to municipalities, to school-boards, what does he expect the provinces to do to provide services for their citizens?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I just indicated that the federal government was transferring $38 billion to the provinces. That is a vast amount of money. In many instances, the provinces can use these moneys pretty well the way they want.

This is a very generous proposal, a very generous system. Of course we would all like to go beyond this and give them even more money. But I would like the hon. member to tell me where we will get it. Will it be through higher taxes or borrowing more money?

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, my question is for the same minister who asked where we would get the money. It is interesting in looking at the estimates that the cost overrun of the helicopters is $1.4 billion. At the same time, the government is retroactively clawing back close to $1 billion from six poor provinces: $293 million from Manitoba; $246 million from Quebec; $76 million from Nova Scotia.

Why is this government paying for the inefficient poor planning of the minister of defence causing a $1.4 billion overrun by taking the money away from the poorer provinces for their health and education systems which help the poor, the young and the sick?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, words, words. Yesterday when the Leader of the Opposition got up, I was very surprised that a former President of the Treasury Board was not able to understand the meaning of current dollars.

The press release where it was indicated that we were going to proceed with these helicopters was written in current dollars. It means that when tailoring them in over a period of 15 years changes which may occur in the markets must be taken into account. Looking at OECD with our own numbers we have factored that in.

The helicopters have not changed in price. It is just the factor and if there is no inflation there will be no increase. This is not a miscalculation. It is a good calculation. I suppose that is beyond the understanding of the Liberals.

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, the one thing we understand is that $5.8 billion is $5.8 billion too much for these helicopters. The President of the Treasury Board talks about understanding what is going on.

I want an explanation as to why the formula used by this government to justify these clawbacks does not meet the regular standards of Statistics Canada. It will not even publish the formula because it is beyond its margin of error. The same formula was rejected by the U.S. government in 1990 because the margin of error was too high. Yet this government persists in using that formula to take away close to $1 billion for poor provinces.

• (1135)

Considering that the government has already set up a $2.6 billion slush fund to use for election promises, is it not much better and much more moral to take the money and give it to the provinces for their health and education systems? Will the government change this deplorable policy?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I suppose that the hon. member is referring to the $2.6 billion which is there in reserves and is in every budget. He says it is a slush fund because there is going to be an election. I will tell the hon. member that it is lower than the reserves we had last year.

The hon. member was asking questions a couple of days ago about the national AIDS strategy. We said that the minister will be coming forward and we will be funding it. We cannot fund it from thin air so we set aside reserves.

The member is aware, having been in this House longer than I have, that many times throughout the year there are supplementary estimates where additional spending is announced for programs that have not yet been designed. This is where the money goes. There are no secrets.

* * *

YOUTH EMPLOYMENT

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

Wednesday the minister announced that he would freeze the budgets of our Canada Student Employment Centres, just at a time when students desperately need their help.

Why is the minister, at a time when there are close to 500,000 young students looking for work and thousands of other students looking for jobs, freezing such a vital program?

The cost of one helicopter alone could put thousands of young people back to work.

Hon. Pauline Browes (Minister of State (Employment and Immigration): Madam Speaker, I am very pleased to answer this question on behalf of the Minister of State (Youth).

The member will be very pleased to know with respect to the Challenge '93 job program we have set forth in the estimates that there is going to be an increase of some $5 million for that program for the summer of 1993. This is going to be very beneficial to young people in getting jobs.

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, I wish the minister were here because the minister knows he has frozen the vital program needed by students to help them get back to work.

This minister must be aware that in the past five months alone close to 100,000 young Canadians have been forced out of the work force.

What kind of government places a higher priority on helicopters than its unemployed youth? Will the minister make a commitment in this House today to revoke this outrageous freeze and increase the moneys spent on this very vital program for our young people?

Hon. Pauline Browes (Minister of State (Employment and Immigration): Madam Speaker, I am very proud of this government's achievements with respect to youth, whether it is the start-up program, the stay-in-school program, the SEED program of people starting their own jobs. The youth centres help young people begin their own jobs. It is a very important project in the area of metro Toronto where $178,000 has been put forth for young people in particular to start new jobs.

I am very, very honoured to be part of a government that has put so much emphasis on youth.

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, yesterday in a question to the Minister of Finance I quoted from his economic statement which said: "Funding will be increased for the highly successful research assistance program which provides technology support and financial assistance to businesses". I asked him why the estimates showed no such increase.

Amid great hilarity, the minister of science said: "In the estimates there is an increase of over $14 million for science and technology". That was a deceptive *non sequitur*.

Today I ask the minister of science once more: why, instead of the promised increase was IRAP in fact cut by $1.333 million? This is the most successful technology program, the most successful job program the government has. Why the cuts instead of the promised increase?

• (1140)

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, I tell my hon. friend that we were both right yesterday. First of all, S and T funding is going to be up considerably over this year. Out of that we will back-fill the decrease of $1.3 million for IRAP. Therefore, we were both right.

He was right. He read the estimates which said that IRAP's estimates are down. That is right. But the over-all point is the S and T envelope is up and we are going to back-fill the difference for IRAP.

What he is interested in and what the House is interested in is government spending for S and T. That is up substantially.

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, the estimates are conceived to deceive and this minister demonstrates it.

If there is a $14 million increase in the $5 billion science expenditure, will this minister table his numbers that yield that total? Will he tell this House why the promise was made by the minister, reiterated by the previous minister of science and technology, that IRAP will be the core, the real delivery mechanism for the government's technology diffusion policy? An increase was promised and it is not there. Why is it not there?

An hon. member: Watch your blood pressure, Howard.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Madam Speaker, just because the member is endangering his blood pressure with his question does not make it a different question. The answer is the same.

The answer is that IRAP spending will be the same or up. This is a very important program. I agree with the hon. member. We are diffusing technology in unprecedented ways through this program. It is a core part of what we are trying to do under S and T and we will continue to do it in a major way.

* * *

TORONTO ECONOMY

Mr. Sergio Marchi (York West): Madam Speaker, my question is for the Acting Prime Minister.

Yesterday, reporter David Lewis Stein of the *Toronto Star* captured the feeling of metro residents when he wrote: "For four years the greater metro Toronto area has been sinking into a terrifying economic depression and Mulroney has refused to use the power of the federal government to help us".

While the Prime Minister has decided to leave, nowhere is his legacy of economic failure more real than in metro Toronto. Why has the government so consistently abandoned the metro Toronto economy and when will it show a change of heart?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I do not accept for a moment any accusation of abandoning metro Toronto. Indeed as I read the business publications in this country, all of which are out of Toronto, they seem to be suggesting a lot of the laws, regulations, tax rules and so on coming out of Queen's Park are having a very adverse effect on investment decisions and so on.

The fundamentals we have put in place and the opportunities presented by FTA and NAFTA are soon going to bring back restored vigour and growth. Toronto again will be leading this nation in growth. We may have to have a provincial election before that, but it will come.

Mr. Sergio Marchi (York West): Madam Speaker, the Acting Prime Minister and the minister from St. Paul's said that they do not buy the economic malaise. I tell the minister that maybe she should visit the riding from time to time and the Prime Minister should visit Toronto and find out exactly what is going on in that city.

Last week at the metro economic summit the federal government through the minister of trade dumbfounded all participants with a speech devoid of any admission of failure and devoid of any meaningful solution.

When will the government finally recognize that by strengthening and making the metro Toronto economy more vibrant it will also be boosting a very fragile national economy? When will it act?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, in his opening question, we were not challenging the fact that the Toronto economy at the moment is not as buoyant as it historically has been. We were challenging the accusation by the hon. member that it was a deliberate plan and policy of this government and there is no evidence for that.

Last week the Minister of Transport was there to announce expansion at Pearson airport and of course that follows on the terminal expansion announced a while ago.

However when he was talking about vacuous speeches in Toronto, I think he was referring to the one at the Empire Club a few days ago.

* * *

• (1145)

SENIORS' PROGRAMS

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, my question is for the Minister of State for Seniors. In yesterday's estimates for the Department of National Health and Welfare the Seniors Independence Program has "made important and positive differences to seniors". Despite this, there is only $3.5 million in funding for this program.

How can the minister justify a 75 per cent cut in this important and positive program?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations and Minister of State (Seniors)): Madam Speaker, I really do not know where the hon. member got his information.

We met our commitments in the past five years, as we implemented our senior citizens initiative. I agree that New Horizons and the Seniors Independence Program are excellent programs which help retired seniors to remain independent and keep active.

The initiative is drawing to a close, being a five-year project. These issues are on the table, funding renewal is expected, and support for seniors and their initiatives will always be maintained.

I really do not understand your question and I object to giving seniors the impression that we deceived them.

[*English*]

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, my supplementary is for the same minister.

Yesterday in a letter the Minister of State for Seniors indicated her government was committed to improving the quality of life for seniors.

Considering that the government can find $5.8 billion for Cadillac helicopters and not one red cent for seniors' health issues under the National Health Research and Development Program, how can the minister state that this government is committed to seniors?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations and Minister of State (Seniors)): Madam Speaker, I just said we have a five-year initiative that expires at the end of March 1993. I would therefore ask members opposite to be patient, since discussions are going on in Cabinet. At the appropriate time, we will announce certain investments and the renewal of certain initiatives, including the availability of funds for research on geriatic diseases.

As a government we have shown leadership in this area and our record compares well with what has been done internationally if we consider the social and economic measures we have introduced to protect the independence of senior citizens.

[*English*]

NATIONAL DEFENCE

Mr. John Brewin (Victoria): Madam Speaker, my question is for the Minister of National Defence on what must be becoming her favourite subject.

Yesterday's figures show that the $5.8 billion helicopters—that is $116 million per helicopter—make them the most expensive military helicopter in the world.

The minister persists in trying to defend these helicopters on their value as search and rescue helicopters. Was she aware when she approved the purchase of the helicopters that not a single other government in the world is going to use these helicopters for search and rescue purposes? Can she name a single government that is going to make that use of these helicopters?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, first of all it is important to point out that the hon. member is quite in error when he talks about the helicopters costing $100 million.

We are talking about a helicopter project, not simply the cost of the hardware. About half of that cost is for the helicopters themselves, a quarter of it is for logistic support and a quarter for contractors and government management costs and contingencies. In other words, the helicopters themselves cost about—

Some hon. members: Oh, oh.

Ms. Campbell (Vancouver Centre): Madam Speaker, it is not possible to have helicopters without having logistic support. In other words, it is a project and the figures have always been out front. They have been public. They were published in 1992 dollars and we have budgeted responsibly to make sure that there are no unforeseen overruns and that Canadians do not wind up facing the possibility of additional irresponsible financial policies by not having contingencies taken into account in the budget.

The hon. member is quite wrong in saying that these helicopters will not be used by others for search and rescue. He should also know that in our own province right now—and I say this because the hon. member is from British Columbia—we do not have the capacity to provide helicopter search and rescue north of the Dixon Entrance or Hecate Strait. These helicopters will, for the first time, provide adequate service. The Labrador helicopter cannot do it. You could spend a billion dollars on a Labrador and it will never be able to do it. These helicopters are going to save lives in our province.

Mr. John Brewin (Victoria): Madam Speaker, 80 per cent of the people in the minister's own province, the province from which we both come, have the wisdom to be against the purchase of these helicopters.

• (1150)

In yesterday's estimates the government conceded that the cuts in operational funding for the Canadian forces will lead to this state: "This will affect the ability of the Canadian forces to mount and sustain operations".

Why does the government persist in undermining Canadian peacekeeping and operational capacity and at the same time go on this huge spending spree for equipment that is no longer needed as a result of the end of the cold war? Why will the minister not accept the wisdom of the people of her own province and of a wide range of experts?

Why will the minister not consider the alternative which can fund helicopters at less than $1 billion?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, supposing for the sake of argument we cancelled this project.

We could upgrade the existing fleet of helicopters, Labradors and Sea Kings, for about $2.5 billion. That is the actual cost. It gives them an extra 10 years of life. Therefore we get an extra 10 years of life on 1950s technology. We do not get increased range because the additional technology will add increased weight to the helicopters.

As I say, you can spend all the money you want on a Labrador but you cannot upgrade it to take off in winds higher than 35 knots. Certainly where I come from there are a lot of winds higher than 35 knots.

After an additional 10 years of life, after you have spent $2.5 billion on the helicopters, you still have to replace them. You still have people flying in 50-year old aeroplanes.

That is why the House committee, of which he was a member, said unanimously in 1990 that the committee recommends that the Sea King helicopters be replaced as planned with the EH-101 and that this be done as soon as possible to avoid costly stop gap measures.

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Madam Speaker, my question is also directed to the Minister of National Defence. Lately the opposition parties have shown a great deal of concern about the helicopter contracts. Perhaps we should talk about those contracts. I would ask the minister to tell us about the costs involved and about the economic spin-offs for Canada's economy and especially for Quebec.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, the economic spin-offs for the Canadian economy will total $3.2 billion. This amount will be spread among Canada's regions. In Quebec, for instance, $975 million will be spent, especially in the hightech-sector, which is so important for Canada's future. This expenditure is an investment in the future of our industry in addition to providing services to Canadians.

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, my question is directed to the Minister of National Defence. We know the helicopters will cost $3.2 billion in 1992-93 dollars. We also know that Marc Lalonde's Liberal project for scientific research tax credit was supposed to cost $200 million in 1983-84 dollars but ended up costing more than $4 billion in 1984. We also know that fraud was responsible for $1.9 billion of that amount.

Will the minister confirm to the House that today members of the Armed Forces are prepared to risk their lives to protect and rescue us, and to do so without the equipment they need for search and rescue missions in our Canadian provinces?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, the hon. member has raised another important point about the helicopters. The search and rescue capability of the new helicopters is so much greater than that of the helicopters we are using today.

The weather conditions under which our helicopters must operate are very demanding: ice, wind and storms. The new helicopters are able to carry out more difficult manoeuvres. Furthermore, they will be able to operate under those conditions. And last but not least, they will protect the lives of fellow Canadians.

* * *

• (1155)

[*English*]

LANGUAGE PROGRAMS

Mrs. Ethel Blondin-Andrew (Western Arctic): Madam Speaker, my question is for the Secretary of State. As you well know, the Government of the Northwest Territories runs one of the most comprehensive and progressive programs and services in the aboriginal languages in all of this country.

The proposed 10 per cent funding cuts will have an immediate, negative impact on both aboriginal language programs and the provision of French language services in the Northwest Territories. Without their language, aboriginal people are without a culture and identity.

I want to ask the minister why the government speaks out to the international community in support of the year of indigenous people and here in Canada does everything in its power to diminish their cultural and linguistic rights and existence?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Madam Speaker, the minister is very aware and shares the concerns of the hon. member. I know that any cuts that have to be implemented will be done in a fair and equitable way.

One of the realities is that we are in very difficult times and we have all had to undergo the same kind of restraints.

What does she expect us to do? Raise taxes or go deeper in debt? We are fully aware of the importance of doing what the hon. member wants. I am sure that the Secretary of State who is away today on government business will be doing all she can to be helpful in her area of responsibility.

Mrs. Ethel Blondin-Andrew (Western Arctic): Madam Speaker, my supplementary question is for the Secretary of State. The fact is that taxes have been raised 36 times and the debt is no smaller, so I think that rests with the government.

Any unilateral reduction of the French language budget contradicts the terms outlined in the Canada-NWT co-operation agreement for French and aboriginal languages. Full implementation of services and programs cannot be carried out with 90 per cent of the funding agreed to.

I ask the minister not to renege on the federal responsibility to assist the NWT in implementing the law of Canada's two official languages policy.

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Madam Speaker, the minister understands her responsibility very well and will certainly do all she can, as I said, within her area of responsibility to make sure that she can do what the hon. member wants.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, my question is for the Minister of Multiculturalism and Citizenship. Can the minister explain to this House why there is $5.8 billion available for the purchase of Cadillac military helicopters while at the same time there is a $30 million cut for minority language education, $2 million being cut from literacy and much more that affects Canadians?

Why is this government's priority helicopters as opposed to people?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Madam Speaker, the grants, contributions and subsidies of all departments have been reduced by 10 per cent. We have been particularly careful in making sure that this will be carried out in a fair and equitable fashion. We are very mindful of the need to continue to develop partnerships.

I know the hon. member has a specific interest in literacy, a program which has brought credit to all of us over the last five years. Under the very exceptional leadership of the National Literacy Secretariat we have seen growing partnerships from coast to coast, individuals, communities and associations that have participated in finding new sources of funding, making people far more aware of the debilitation of being illiterate. I know that we will continue to be able to reach out and have that kind of process in place.

[*Translation*]

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, my question is for the same minister. An amount of $5.8 billion has been budgeted to buy helicopters. You had the choice but you chose helicopters rather than linguistic minorities, our illiterate, our elderly and native people. What are this government's priorities?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Madam Speaker, as I said, our priorities have always been to develop partnerships. Throughout the country we have found people who want to participate. Next Monday I will participate with Peter Gzowski, who is himself trying to raise millions of dollars for literacy. The ABC Canada program is another example of business men and women who have been fully involved in helping us in this partnership.

• (1200)

The hon. member asks what we want. We want to help people in need of assistance. It is always the same taxpayers, whatever their taxation level, who do not want to pay more tax because their taxation level is already high enough and too much is already being spent. We will have to tighten our belts one way or another.

* * *

[*English*]

GUATEMALA

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, my question is for the Secretary of State for External Affairs, whose department and ambassador have magnificently helped many hundreds of Guatemalan refugees to return from Mexico to Guatemala.

However, as the minister knows, an international delegation, including Karen Ridd of the United Church of Canada, is now visiting displaced civilian communities in the jungle of northern Guatemala that the Guatemalan army now is harassing and threatening at a rising rate according to today's information.

Can the minister tell the House what action Canada is taking to persuade President Serrano of Guatemala to ensure the safety of both these displaced Guatemalans and also the international visitors, and can she tell us

whether the Canadian delegation at the United Nations is pressing for item 12 and a rapporteur on Guatemala?

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, I thank the hon. member for his question. He has longstandingly been a member who is very sensitive to issues in Guatemala. I should tell him that our embassy has been instructed to determine just at what stage these attacks are.

We have not actually had confirmation of the attacks but of the preparation for attacks. The embassy will continue, as it has in the past, to do what it can to guard human rights in Guatemala. I do not feel I have the full facts at my disposal yet.

I appreciate the hon. member's interest and will get back to him outside the House if I have anything to add.

* * *

[*Translation*]

TRANSFER PAYMENTS

Mr. Gilles Rocheleau (Hull—Aylmer): Madam Speaker, further to the estimates presented by the President of Treasury Board yesterday, the government says that it is taking back some $230 million dollars in transfer payments from Quebec on the basis of population projections.

I ask the President of Treasury Board if he would agree to set up a federal–provincial committee with Quebec to study the data, which does not seem to correspond to those that Quebec has.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I am pleased to tell the hon. member that we are in constant touch with all the provinces to discuss problems that can arise with transfer payments.

As for the population projection or census to which he refers, I said unequivocally that the census requires us to spend several hundred million dollars and we are doing so.

If we realize that some figures are inaccurate as we work with them and refine them we will correct them, so the provinces do not need to worry.

* * *

[*English*]

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. John Brewin (Victoria): Madam Speaker, I rise on a point of order. During the minister's response to my question she quoted a report to the House of Commons from the Standing Committee on National Defence and Veterans Affairs and she seemed to be reading from the report. It seemed to indicate that the committee not only recommended that the Sea King helicopters be replaced but that they be replaced by the EH–101 helicopter.

As the minister would concede, I hope, the report says no such thing. The recommendation reads in its entirety: "The committee recommends the Sea King helicopters be replaced as planned and that this be done as soon as possible to avoid costly stop–gap measures".

I am sure the minister would also concede that the conditions have dramatically changed since this report was tabled in the House.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, I would concede no such thing because in reading the report it is very clear that the plan was by this time, which was November 1990, to replace the helicopters with the EH–101s. In fact a discussion about concerns that might arise in delay of delivery of the Canadian–built EH–101s says: "Delays in the delivery of Canadian–built EH–101s may make it necessary to keep the Sea Kings in operation for longer than expected". Then the committee goes on to make the recommendation "as planned refers to replacing them with EH–101s". I am sorry that I cannot concede to the hon. member's point.

• (1205)

Madam Deputy Speaker: There seems to be a very obvious dispute as to facts.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING OF REFERENCE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government pursuant to the provisions of Standing Order 110(1). These are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

POINT OF ORDER

BUSINESS OF THE HOUSE

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I rise on a point of order.

I wonder if the government House leader could indicate the status of possible negotiations with regard to the special committee which will hopefully be struck for the purpose of studying the North American free trade agreement?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, we have not yet been able to reach an agreement on that but we are still endeavouring to do so.

Obviously it will not be possible for the committee to meet next week but the government is anxious to have it up and running as soon as possible.

Mr. Rod Murphy (Churchill): Madam Speaker, on the same issue. As the minister knows, I and the hon. member for Esquimalt—Juan de Fuca wrote him a letter stating a number of things that we would like the committee to do, including travelling across Canada, going to the United States and the Maquiladora to see the conditions of the workers and the communities in that area.

We also requested that the committee hearings be televised. I wonder if he has any response to any of these requests at this time.

Mr. Andre: Madam Speaker, no, I do not have a direct response to that request but certainly we are most anxious the committee be in a position to offer Canadians an opportunity to appear and hear the debate.

We know there are thousands and thousands of companies anxious to appear and show how important this will be to their growth and job generating prospects.

I am a little reluctant to agree at this point that the committee should also go on a world tour. Certainly the final suggestion of the hon. member that the government not act on NAFTA until after an election is rejected.

* * *

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 27 petitions.

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

* * *

[*English*]

INTERPARLIAMENTARY DELEGATIONS

VISIT OF SPEAKER TO INDIA

Mr. Jim Edwards (Edmonton Southwest): Madam Speaker, pursuant to the provisions of Standing Order 34, on behalf of the Speaker of the House of Commons, I have the honour to present a report of an interparliamentary visit lead by the Speaker to India from January 19 to January 27 of this year.

The visit, the first to India in nearly 10 years, took place in the context of Parliament's programs of parliamentary exchanges with foreign legislatures.

[*Translation*]

REPORT OF OFFICIAL DELEGATION

Mr. Jean-Guy Guilbault (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the official parliamentary delegation of the Canada-France Interparliamentary Association, which took part in the visit of French senators to Ottawa, Fredericton, Moncton and Quebec City from January 17 to 24, 1993.

[*English*]

CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE

Hon. John Bosley (Don Valley West): Madam Speaker, in conformity with the Standing Orders, I have the honour to table today a report on behalf of the Canada–Europe Parliamentary Association of the latest executive meetings of the Parliamentary Assembly of the Conference on Security and Co–operation in Europe.

* * *

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

EIGHTH REPORT OF STANDING COMMITTEE

Hon. John Bosley (Don Valley West): Madam Speaker, I have the honour to present the eighth report of the Standing Committee on External Affairs and International Trade in both official languages.

In accordance with Standing Order 108(2), the Standing Committee on External Affairs and International Trade has examined the future of the United Nations and wishes to report its recommendations to this point in time to the House.

* * *

HOUSE MANAGEMENT

67TH REPORT OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton Southwest): Madam Speaker, I have the honour to present the 67th report of the Standing Committee on House Management regarding the membership of standing committees. If the House gives its consent, I intend to move concurrence in this report later this day.

• (1210)

68TH REPORT OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton Southwest): Madam Speaker, I have the honour to present the 68th report of the Standing Committee on House Management regarding the membership of the legislative committee on Bill C–113.

Pursuant to Standing Order 113(1), this report is deemed adopted when laid upon the table.

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

* * *

PEACEKEEPING MEDAL ACT

MEASURE TO ENACT

Mr. John Brewin (Victoria) moved for leave to introduce Bill C–412, an act respecting the establishment and award of a Canadian volunteer service medal for United Nations' peacekeeping.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Brewin: Madam Speaker, I appreciate the concurrence of the House in the motion. I am very pleased to introduce this bill which will establish a Canadian volunteer service medal for United Nations' peacekeeping.

As it happens, there is no Canadian medal for those who have served on peacekeeping missions from Canada. The United Nations has established a service medal but we have failed to do so to date. This bill will fill that gap.

Over 100,000 Canadians not only within the military but in civilian life as well, including the RCMP, have served on such missions. Over 80 have given their lives in the course of these missions. I hope this bill will have the full support of all sides in the House.

Madam Deputy Speaker: Mr. Brewin moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*Translation*]

HOUSE MANAGEMENT

CONCURRENCE IN 67TH REPORT OF STANDING COMMITTEE

M. Jim Edwards (Edmonton Southwest): Madam Speaker, with leave of the House, I move, seconded by the parliamentary secretary, the hon. member for Manicouagan, that the 67th report of the Standing Commit-

tee on House Management, presented in the House today, be concurred in.

Motion agreed to.

* * *

[*English*]

PETITIONS

CHILD POVERTY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I have the pleasure to table a petition which was found to be in order.

The petitioners would like to remind the House that it adopted a motion unanimously on November 24, 1989 which read as follows:

> This House expresses concern for the more than one million Canadian children currently living in poverty and seek to achieve the goal of eliminating poverty among Canadian children by the year 2000.

The petitioners, after stating their reasons for this petition, humbly pray and call upon Parliament to take the action necessary to reaffirm its commitment to seek the elimination of poverty among children in Canada by the year 2000 and to develop a plan with the implementation of this commitment.

• (1215)

MENINGOCOCCAL DISEASE

Hon. William Rompkey (Labrador): Madam Speaker, I have the honour to present a petition signed by several hundred residents of Labrador West and some on the island of Newfoundland. This is in addition to the petitions that we presented some weeks ago. It has been signed by a total of 25,000 people all across the country.

The petition was circulated by Mrs. Wanda Quigley of Wabush, Labrador, who had a son die from meningitis some time ago. In view of the ravages caused by the meningococcal disease in the lives of children of Canada and that there is a test kit that will detect all types of meningitis at their early stages, Mrs. Quigley and a lot of other people across the country are calling upon the government to make sure the test kit is put on the market as soon as possible so that other children in Canada will not have to suffer the fate of her son.

VIOLENCE

Ms. Sheila Copps (Hamilton East): Madam Speaker, I have a duly certified petition to present. It originates from the New Westminster Presbyterian Church in my riding and is directed to the House of Commons.

The incidence of violence against women and children is unacceptable. Too often the abuser is a close friend, partner or spouse. The present social climate is such that many women feel intimidated or afraid to report incidents of assault or abuse. The present social climate is that when many women report incidents of assault or abuse they are victimized instead of helped. Aboriginal, visible minority, immigrant, disabled, lesbian and poor women face additional overwhelming barriers in reporting violence of abuse and receiving help. Women in the family law systems across the country are trying to protect their children and are suffering from maternal custodial victimization.

Therefore the petitioners humbly call upon Parliament to accept legislation designed to eliminate violence against women and children, encourage and support women to report incidents of assault or abuse, provide assistance and support for women and relief and support for women as mothers and children, emphasize the need for abuser rehabilitation, concentrate special effort on the training of police lawyers, court workers and judges, and focus public attention on this very important and long ignored problem.

[*Translation*]

Madam Deputy Speaker: This is more like a speech than the presentation of a petition. The hon. member for Abitibi.

REQUEST FOR ELIMINATION OF VIOLENCE IN OUR SOCIETY

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I would like to table a petition from residents of Dubuisson, Rivière-Héva, Senneterre and Val-d'Or, in the riding of Abitibi, who say that films depicting violence on television are dangerous and therefore unacceptable because they act as a stimulus for violent behaviour.

The petition also says that all toys that incite children to play violent games are unacceptable and their manufacture should be banned. It is also pointed out that the repeated broadcasting of news about acts of violence on television, on all channels, and on radio may act as a stimulus for further identical violent behaviour.

Therefore your petitioners humbly pray and call upon Parliament to pass the appropriate legislation in order to eliminate violence in our society and thus protect our children and make our communities a safer place to live.

VIOLENCE AGAINST WOMEN AND CHILDREN

Hon. John Bosley (Don Valley West): Madam Speaker, I have two petitions that have been certified correct as to form and content, pursuant to Standing Order 36.

[*English*]

The first petition is signed by 42 residents of Toronto, 14 of whom live in my riding.

They pray and call upon Parliament to adopt legislation designed to eliminate violence against women and children and to encourage and support women to report incidents of assault or abuse and other such matters.

CHILD POVERTY

Hon. John Bosley (Don Valley West): Madam Speaker, the second petition is signed by 71 residents of Toronto, 5 of whom live in my riding.

The undersigned petitioners humbly pray and call upon Parliament to take the actions necessary to reaffirm its commitment to seek the elimination of poverty among children in Canada by the year 2000 and to develop a plan for the implementation of this commitment.

VICTIMS OF VIOLENCE

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a petition signed by several hundreds of residents of the constituency of Comox—Alberni in memory of Dawn Shaw, a little girl who was raped and then murdered in that community just a short time ago.

Noting that the present system of justice fails to protect children of our communities who are increasingly becoming victims of sexual assault, they call upon Parliament to change the law in such a way as to lengthen jail sentences, to permit police to take DNA samples from persons suspected of sexual assault and to keep DNA imprints of paedophiles and sexual offenders on a national police database.

The petitioners have a number of other suggestions that would assist in making children in our society safer from the possibility of sexual assault.

• (1220)

INCOME TAX ACT

Mr. Robert E. Skelly (Comox—Alberni): I have a second petition, Madam Speaker, from thousands of teachers around the province of British Columbia. They note that teachers pay out a great deal of money from their own pockets to improve their own professional skills for the benefit of their students and that they purchase academic materials and supplies which are also for the benefit of the children they teach.

They also note that the Income Tax Act allows self-employed professionals to deduct operating expenses and materials but that teachers do not have the same deductions. The teachers are therefore asking the Minister of National Revenue to take action accordingly to change the Income Tax Act to allow teachers to deduct the cost of professional expenses and materials purchased in the course of their employment.

VICTIMS OF VIOLENCE

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, I have a petition that was sent to me by Cathy Grasty of Coquitlam in my riding. It is also in memory of Dawn Shaw.

The petitioners say that the present justice system fails to protect the children of our communities who are increasingly becoming victims of sexual assault. They outline a number of suggestions and urge Parliament in memory of Dawn Shaw to enact legislation to change the justice system to provide greater protection for children from sexual assault and to assure conviction of offenders.

REFUGEES

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I have a petition signed by many of my constituents who are concerned about the refugee status of many people who are in Canada, in particular those from Third World countries.

These petitioners are calling on the House to urge the government to take all necessary action to ensure that compassion is exercised when dealing with those refugee cases.

PHARMACEUTICALS

Mr. Sergio Marchi (York West): Madam Speaker, I have a petition from residents of my riding of York West to present. They essentially wish to bring to the attention of the House the advantages of the existing compulsory drug licensing system by which generic drugs allow Canadians an adequate, accessible and fair price for prescription drugs.

They are asking this government to repeal recent legislation unfortunately passed in this House that would do away with that compulsory drug licensing system and therefore increase the cost of prescription drugs to Canadians.

INCOME TAX ACT

Mr. Raymond Skelly (North Island—Powell River): Madam Speaker, I too wish to present a petition that points out that the Income Tax Act allows self-employed professionals and business people to deduct operating expenses for improvement in the businesses.

Rhonda Lantz, a registered nurse, asks the Government of Canada to permit the deduction for income tax purposes of all professional development courses and peripheral costs such as child care, transportation, food and accommodation for registered nurses. Also professional development courses under $100 should be cumulative for income tax deduction purposes.

PENSIONS

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, pursuant to Standing Order 36, I am pleased to present a petition on behalf of a number of Canadians from Simcoe, Ontario, Edmonton, Alberta, Nelson and Procter, British Columbia, and other places across Canada.

They wish to draw to the attention of the House that hundreds of thousands of Canadian senior citizens live below the poverty line, that it is desirable for all Canadians to provide senior citizens with the necessary support to live their lives as independently as possible, and that the federal government has the primary responsibility to ensure the adequacy of seniors' pensions.

Therefore the petitioners call upon Parliament to urge the government to ensure that Canadian old age security pensions are sufficient to meet the basic needs of our Canadian senior citizens.

VICTIMS OF VIOLENCE

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, pursuant to Standing Order 36, I have the privilege to present before Parliament signed petitions from many of my own constituents and others around the city of Toronto.

They are calling upon Parliament to realize that the incidence of violence against women and children is unacceptably high. They are asking Parliament to accept legislation designed to eliminate violence against women and especially make an effort in the training of police, lawyers, court workers and judges to become knowledgeable about women and child abuse and to focus public attention on this very important and long ignored problem.

* * *

• (1225)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the following questions will be answered today: Nos. 425 and 456.

[*Text*]

Question No. 425—**Mr. Karpoff:**

Regarding the 25th anniversary of the TimberMart Corporation on October 3, 1992, was the Minister of Finance present at that celebration at the Four Seasons Hotel in Vancouver, B.C. and if so, (*a*) was public funding used for any part of the event and if so, (i) for what items (ii) what was the cost (*b*) did the minister arrive in Vancouver by commercial aircraft or on a government Challenger or by other aircraft (*c*) who paid for the flight to and from Vancouver?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): The minister did attend the celebration since he was in Vancouver on other official business. In so far as Finance Canada is concerned:

a) i) No

ii) Nil

b) Commercial aircraft

c) Finance Canada

Question No. 456—**Mr. Heap:**

Since the formalization of Canada's refugee determination procedures, Immigration Act 1976, and the establishment of the Refugee Status Advisory Committee, prior to its dissolution on December 31, 1988 did the RSAC ever review cases on the basis of belonging to a particular social group and if so, (*a*) how many people were granted refugee status based on belonging to a particular social group (*b*) how many people were granted refugee status based on being women as the particular social group and what were the countries of origin of these refugees?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Between 1979 and 1988, 8,374 persons were determined in Canada, on the recommendation of the Refugee Status Advisory Committee, to be convention refugees. That represented an acceptance rate that varied from 20 to 39 per cent, considerably lower than the current acceptance rate of the Immigration and Refugee Board. The statistical data gathered during that time does not identify the rationale for these determinations. Therefore, it is not possible to advise the honourable member of the numbers accepted on the basis of membership in a particular social group nor the additional details that he seeks without retrieving each individual case file. Further, most of these case files are no longer retained by Employment and Immigration Canada.

[*Translation*]

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

Madam Deputy Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-99, an act to amend the Small Businesses Loans Act and another act in consequence thereof, as reported (with amendment) from a legislative committee.

Hon. Gerry Weiner (for the Minister for Science and Minister of State (Small Businesses and Tourism)) moved:

Motion No. 1.

That Bill C-99 be amended in Clause 3

(a) by striking out lines 1 to 3 on page 3 and substituting the following:

"3.(1) Section 3 of the said Act is amended by adding thereto, immediately after subsection (1) thereof, the following subsection:

(1.1) Notwithstanding paragraph (1)(*b*), but subject to all other provisions of this Act and, in particular, to the conditions set out in subsection (2), the Minister is liable to pay to a lender ninety per cent, or such other percentage as is provided by an appropriation Act or other Act of Parliament, of any loss sustained by the lender as a result of a business improvement loan made after March 31, 1993 and before January 1, 1996.

(2) All that portion of subsection 3(2) of the said Act preceding paragraph (*e*) thereof is repealed and the following substituted therefor:

(2) The conditions referred to in subsections (1) and (1.1) are as follows:"

(b) by renumbering the subsequent subclauses accordingly.

RECOMMENDATION
(Standing Order 76(3))

His excellency the Governor General recommends to the House of Commons the appropriation of public revenue under the circumstances, in the manner and for the purposes set out in an amendment to Clause 3 of Bill C-99, "An Act to amend the Small Businesses Loans Act and another Act in consequence threof":

(a) by striking out lines 1 to 3 on page 3 and substituting the following:

"3.(1) Section 3 of the said Act is amended by adding thereto, immediately after subsection (1) thereof, the following subsection:

Idem

(1.1) Notwithstanding paragraph (1)(*b*), but subject to all other provisions of this Act and, in particular, to the conditions set out

in subsection (2), the Minister is liable to pay to a lender ninety per cent, or such other percentage as is provided by an appropriation Act or other Act of Parliament, of any loss sustained by the lender as a result of a business improvement loan made after March 31, 1993 and before January 1, 1996.

R.S. c. 19
(1st Supp.)
s. 2. c 22
(3rd Supp.), s. 3(1)

(2) All that portion of subsection 3(2) of the said Act preceding paragraph (*e*) thereof is repealed and the following substituted therefor:

Conditions

(2) The conditions referred to in subsections (1) and (1.1) are as follows:"

(b) by renumbering the subsequent subclauses accordingly.

Motion No. 2.

That Bill C-99 be amended in Clause 3 by striking out line 21 at page 3 and substituting the following:

"that did not arise more than one hundred and eighty days".

RECOMMENDATION
(Standing Order 76(3))

His excellency the Governor General recommends to the House of Commons the appropriation of public revenue under the circumstances, in the manner and for the purposes set out in an amendment to Clause 3 of Bill C-99, "An Act to amend the Small Businesses Loans Act and another Act in consequence thereof", whereby line 21 on page 3 is struck out and the following substituted therefor:

"that did not arise more than one hundred and eighty days".

Motion No. 3

That Bill C-99 be amended in Clause 3 by striking out line 1 at page 4 and substituting the following:

"(ii) at least fifty per cent of the gross revenues".

Mr. John E. Cole (York—Simcoe): Madam Speaker, I think you will find the amendments presently before the House have the support of all parties and actually reflect the excellent co-operation that has characterized the passage of Bill C-99 through the legislative process.

The amendments in group one are designed to improve upon the bill by increasing access to credit by Canada's small business sector. This first group includes two substantive and one technical amendment.

The substantive amendments increase the retroactivity of loans and increase the loan loss sharing ratio to 90 per cent. Both these amendments will have the effect of increasing the number of loans under the program and will increase the availability of working capital. Combined with forthcoming regulatory changes which will both restrict the taking of personal security by the banks and lending institutions and increase the maximum loan to 100 per cent of the value of the asset, these changes greatly enhance the availability of working capital. This initiative responds to the commitment made by the Minister of Finance in his recent economic statement.

On behalf of the government and the Minister of State for Small Businesses and Tourism, who is unavoidably away from the House at this particular time on government business, I would particularly like to thank all members for their support of these very important amendments.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I would like to make a few short comments regarding the amendments to Bill C-99.

I agree with my colleague from York—Simcoe that this was an example of a piece of legislation where all parties co-operated and worked together for speedy passage.

I believe these amendments are in fact substantial. One problem for small business today is that Canadian banking institutions tend to be very rough on small business. This amendment that was put forward in committee increases the loan guarantee by the Crown from 85 to 90 per cent. It should give the banking institutions of Canada a lot of comfort when these bank loan officers make loans to small businesses, which is where our greatest hope for new job creation exists.

• (1230)

The other amendment was substantive and one that we on this side of the House totally support. It was something we were worried about in the bill, but the minister and the committee co-operated. It is an example of, when there is co-operation, how quickly things can move through this House.

In the first bill there was a retroactivity date of 90 days. The minister and the committee, capably chaired by my friend from York—Simcoe, increased that retroactivity period to six months. In layman's terms, that would mean a small business person that bought a capital asset during the last six month period. I say today because it will be passed in this House today. Retroactivity starts on Monday if we get Royal Assent from the Senate by Monday. The six-month period means that moneys put out on capital equipment can be refinanced and it then becomes a part of a small business loan. I applaud the government for accepting that amendment. I think it is really going to make a big difference to small business.

The last point that is so important to a small business person is the cap on the amount of the personal guarantee that is required. So often when a small business person tries to start or expand their business the banks want their life insurance policy, home, children or whatever else they may have. Banks have never been too shy in demanding all those personal guarantees.

I consider this third amendment a substantial one also. It limits the amount of personal security that a financial institution can demand. Therefore, we in the Liberal Party of Canada support all these amendments and we hope the bill can move to third reading quickly so it can become law.

Mr. Rod Murphy (Churchill): Madam Speaker, in the absence of our member for Okanagan—Similkameen—Merritt, I am speaking on this bill this afternoon.

We support the thrust of the bill and the amendments, especially those that limit the ability of the banks to demand unreasonable security from small businesses.

While I have a chance to speak on the amendments I want to point out that the reason this bill and the amendments are necessary is that the banking community has been very reluctant to encourage small businesses. I, and I am sure many MPs in this House, could go through personal example after personal example where instead of being helped, small businesses felt they did not get the funding they should have got and when they got a loan from a bank they felt almost harassed by those same institutions. I heard an example of someone who was actually making his payments and the bank decided it wanted a larger payment and almost forced that person into bankruptcy as a result.

I have noticed that the government through one of these amendments is basically saying that it will not only provide 85 per cent insurance to the banks, but will provide 90 per cent insurance to the banks. So there is almost no risk to the banking institutions under this amendment. That is quite remarkable. We are asking the banks to do what they should be doing as a business and the Government of Canada has to almost completely insure those loans.

• (1235)

Why are we doing that? We are doing it because we want to help small business. We know that. It is really a culmination of the whole banking system. It almost leads us to question why we are using the banks at all for this particular process. Not to argue about nationalizing the banks, but if the Government of Canada is providing almost all, 90 per cent, of the security for any loans that go in arrears or if there is a problem, why do we have to use the banks?

Related to this is my understanding that through regulation the government is also upping the rate that is going to be charged to the lender. It is now going to be not 1.5 per cent above the prime rate but up to 1.75 per cent maximum.

This is a situation where interest rates have gone down for a number of years. Certainly they have been going down since this bill was introduced into the House of Commons. It seems again that the thrust of the government's actions, in this case under regulations, is to aid and abet the banking industry.

Again I have to wonder why we have to do so much work to ensure the banks do their work.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I would like to take just a moment. The hon. member's remarks deserve some sort of reply. He said that this alteration from an 85 per cent to 90 per cent guarantee has been done to help the banks. That is not so.

It is being done to make sure that the banks will vigorously promote. The banks in times past have not been vigorous supporters or promoters of this and so this is to make sure that they will promote.

They can still have a 10 per cent loss. That is really not a pay-off in my books. This is something we will be watching very closely. I personally want to make sure that the local banks in my home town are vigorously promoting small business loans.

Madam Deputy Speaker: The first question is on Motion No. 1. Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Madam Deputy Speaker: Carried.

Motion No. 1 agreed to.

Madam Deputy Speaker: Would the House agree to apply this vote on Motions Nos. 2 and 3?

Some hon. members: Agreed.

Madam Deputy Speaker: I declare Motions Nos. 2 and 3 carried.

Motions Nos. 2 and 3 agreed to.

Madam Deputy Speaker: I will now put to the House Motion No. 4.

Hon. Gerry Weiner (for the Minister of State (Small Businesses and Tourism) moved:

Motion No. 4.

That Bill C-99 be amended in clause 5 by striking out lines 24 to 27 on page 5.

Mr. John E. Cole (York—Simcoe): Madam Speaker, this amendment is very important. It is a consequential amendment as a result of the action of the committee members from all parties when we were discussing this.

This amendment has the effect of expanding further the eligibility of small businesses. Originally in the act it was a restriction limiting professionals, financial insurance and real estate businesses from taking part in this. By the actions of the committee in expanding the bill, it was necessary to amend clause 5.

This will ensure that there will be wider coverage, that there will be more benefits to more small businesses, businesses that contribute materially to economic activity. What I mean by that is that it is not a case for someone to purchase a piece of land to speculate or do something like that. It is those people who are actively engaged in a business that is going to expand, that can develop, promote expertise, promote effectively new jobs and purchase new equipment.

• (1240)

That is the kind of thing we wanted to make sure of, that every business would have access to these funds. I believe that these changes will dramatically change the way small businesses will have access to these funds.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I would like to make a few short comments on this motion.

My colleague from Thunder Bay, who is not here today because his sister passed away as a result of cancer, was very intent on making sure that this amendment was in the bill.

There are tens of thousands of businesses in rural Canada, small real estate firms, as the member for York—Simcoe mentioned, and life insurance businesses that sometimes are run out of the farmhouse or a small little office.

The way the bill was originally drafted, these people were not eligible. It discriminated against them. The original intention of having real estate firms and life insurance firms in there was to basically make sure that the large land developers and the large insurance companies could not use their techniques of shuffling paper around to get access to the loan. The minister and the members of the committee responded to this clause in a very constructive way.

The other point that will come through in the regulations was discussed in committee. It had to do with car dealerships. As members know, under the Small Businesses Loans Act a small business is defined as a business having sales of less than $5 million.

In a car business, it is the actual sale of the cars. You could maybe sell 20 or 30 cars and you would be over the actual amount of the sales of a small business. The regulations are being drafted to make sure that the portion of the transaction that is handled by a finance company is exclusive. It is not included in the gross sales of eligibility.

I believe that this amendment covers not only car dealerships which may fit the $5 million in sales but also the life insurance companies and the real estate firms. Once again I have to say that this was an example where the committee worked together. It worked quickly and it is going to make this a much better bill.

Now we just have to make sure that the 960,000 businesses that are eligible, those that have sales of $5 million or under, go out and test the banking system and make sure it reacts to it.

Mr. Rod Murphy (Churchill): Madam Speaker, very shortly, we are also happy to see this amendment for reasons very similar to those of the last speaker.

We did not want to see this being a boondoggle for the land speculators, real estate speculators. I think this is a wise amendment in ensuring that those groups that need funding might be able to get it from the banks if the banks go out and advertise it. I hope it does not end up being a kind of loophole that is used by those who always seem to know whether it is a government program, whether there is a government tax dodge or something of this nature.

Hopefully the regulations that come out later will meet these concerns.

Motion No. 4 agreed to.

Mr. Weiner (for the Minister of State (Small Businesses and Tourism)) moved that the bill, as amended, be concurred in.

Motion agreed to.

[*Translation*]

Mr. Langlois: Madam Speaker, there have been consultations, and I think you will find there is unanimous consent for proceeding to third reading of Bill C-99.

Madam Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

[*English*]

Mr. Murphy: Madam Speaker, there is unanimous consent for third reading today.

[*Translation*]

Hon. Gerry Weiner (for the Minister of State (Small Businesses and Tourism)) moved that Bill C-99, an Act to amend the Small Businesses Loans Act and another act in consequence thereof, be read the third time and passed.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: Debate.

Madam Deputy Speaker: The hon. member for Broadview—Greenwood.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I want to begin by saying that I am actually just as excited as the government is today about getting this bill through the House.

I am excited about this bill going through the House today because this represents a tremendous opportunity for the 960,000 businesses in this country whose sales are less than $5 million. Many of them have tremendous difficulty in getting access to bank credit.

What has happened here today is that a law will momentarily be passed which will say to the financial institutions of this country that if small business people come into their bank and ask a loan officer for some credit to expand and grow their business or start a business and if that business plan which they present to the financial institution is right and makes sense then under this act the Government of Canada will guarantee 90 per cent of the loan. It will insure it to 90 per cent.

Businesses with sales of $5 million will have a loan limit of $250,000 at prime plus 1.75 maximum, and it could be less. When I say it could be less I would like to give a specific example of a banking institution that came to our all-day committee meeting on Tuesday. We worked into the night and heard witnesses from 9 a.m. right through. The Bank of Montreal was represented. One of the witnesses, Mr. Ronald G. Rogers, senior executive vice-president, personal and commercial banking, said: "The Bank of Montreal will do better than 1.75 per cent, in fact on loans for small businesses of $100,000 and under, it will be prime less 1 per cent".

If the prime is at 7 per cent—I realize that it is less than that today but let us just use that figure for discussion purposes. If a person has a small business and is only looking for $100,000 or less the Bank of Montreal will use the Small Businesses Loans Act, under which 90 per cent of that loan is guaranteed, and will only charge 6 per cent.

• (1250)

If this is used by the financial institutions of this country I really do believe it will get the economy of this country going again.

I have been standing in this House talking about small business and about getting capital for small business. I have asked questions in this House. I have participated in 50 different debates in this House during the last 3 years on behalf of small business. I have been pleading, practically begging this government to focus its energies on the small business sector because that is where the job creation potential is. That is where the greatest hope for new job creation lies in this country.

It is no secret to anyone in this House or anyone in this country that all the major corporations are downsizing, that they are laying off workers. My goodness, I think of a small city like Hamilton where Stelco and Dofasco laid off something like 1,200 people at a shot, or Oshawa where General Motors laid off thousands of people at a shot. Does the House know what that does to the hope and confidence of a community? We can go into a major mall, not just in Hamilton or Oshawa but anywhere in the country, after there has been a major layoff and almost feel the lack of confidence.

We can tell by the number of purchases in clothing stores, pet stores or, in my case, restaurants. On Danforth, Queen, Pape and Gerrard Streets in Toronto there are some of the nicest restaurants in all of Canada. Most of the time these restaurants have line-ups, but in the last eight to ten months it has changed. There are 300 restaurants in my riding. There are restaurants in my riding that represent over 40 different countries. There are a large number of Greek restaurants and a very large number of Vietnamese, Chinese, Italian and East Indian restaurants. They provide the largest number of restaurants, but there are restaurants from many different countries, many different cultures and many different communities. Collectively they employ 5,800 people; they are my Stelco, my Bombardier. In the last eight months people can walk into these restaurants and pick what seat they want because there are no line-ups any more. It is awful.

The confidence and the hope in our communities, no matter what part of the country, has been very low. We cannot get the hope or the confidence from the large corporations because they are all downsizing, they are all bureaucracies and they are all restructuring. Where do we get the jobs? We get the jobs from the entrepreneurship of this country.

I do not mean to be disrespectful but this is sort of like a deathbed conversion. The government is finally beginning to realize that small business is where the action is because there is no bureaucracy in small business. If a proprietor of a small business decides over a two or three-hour meeting that he or she wants to expand his factory or buy a new piece of machinery to be more competitive then he or she makes the decision in a couple of hours and goes forward.

• (1255)

Mr. Langlois: Call the bank manager.

Mr. Mills: The hon. member is so right. That person makes the decision about how he or she wants to move but then says: "Now we have to go meet our bank manager".

For the last two years the financial institutions of this country have been so rocked and shocked by the collapse of Campeau, the Reichmanns, Edper, and the list goes on and on and on.

What have they done during that period? They have put out the word: no more lines of credit. Cut those lines back. No more new loans. It has been small business which has received the brunt of that abuse from the major financial institutions of this country.

Now with this piece of legislation when small business people decide on a way of expanding their business or starting another facet of their business they can go happily and proudly to their bank manager. They can say that the Government of Canada just passed a piece of legislation called Bill C-99 and that 90 per cent of the money the bank gives them is guaranteed by the Crown. It is guaranteed by the taxpayers of Canada. That should make one dramatic difference in the attitude of that bank manager.

A few weeks ago I spoke about the responsibility of banks in helping us reignite this economy. I mentioned in those remarks that banking institutions have to be the only business that I know of where the customers are afraid of the person they are doing business with.

In other words, Madam Speaker, if you and I went out to dinner in a restaurant—whenever you come to Toronto you are welcome and I will take you to one of the nicest restaurants in all of Canada—I will tell you what would happen if we went into that restaurant. You should come to my riding some time. Visit your daughter and come into my riding and I will take you out.

What would happen would be that the *maitre d'*—is that the first time a Speaker has ever been asked out?

Madam Deputy Speaker: If I may answer the hon. member on that. If he does not blush neither will I.

Mr. Mills: Okay.

Madam Speaker, if you went into that restaurant on the Danforth the *maitre d'* or the person looking after the tables would wait on you hand and foot. That would happen in any business, such as a clothing or furniture store.

If someone goes into a bank the bank manager says: "We are doing you the favour". With this bill we can flip it around because if someone does not get service with the first loan officer that they meet, if they do not feel comfortable or if they do not feel they are being respected then they can walk across the street to another financial institution.

• (1300)

I received this advice to pass on to the small business sector from the president of the Canadian Bankers' Association. Helen Sinclair, the president, came to my riding a few weeks ago to speak to a conference "Women in Business". We appreciated her candor. She said: "If you walk into a bank and if you don't feel that the chemistry is right, if you don't feel you are getting good service from the person operating the bank, walk out. Walk across the street".

We have 50-odd financial institutions in this country and there are over 7,000 branches. We have a great banking structure in this country. The problem has been that the loan officers—not all of them, there are lots of great loan officers—act in a condescending way toward their customers.

I know that there are other members of Parliament that hear this as many times as I do. It does not matter whether we are Conservative or NDP or Liberal, we are all hearing the same complaints when it comes to financial institutions.

With Bill C-99, the small business person in this country can go to their financial institution and say: "I want some help and I would like you to get your Small Businesses Loans Act forms in place since I believe that my business plan qualifies me, because Mr. or Mrs. Bank Manager, 90 per cent of the loan you are going to give me is guaranteed by the Government of Canada".

I think this will make a dramatic difference. There are 960,000-odd businesses in this country whose sales are $5 million or less. Just think if each one of those businesses hired one person, we would move that unemployment insurance-welfare liability, which combined today is close to $30 billion including interest payments, down to about $8 billion to $10 billion. Overnight we would have productive people, people with their dignity back, people paying taxes again. Just think what that would do to the deficit and ultimately the debt of this country.

I have had some frustration with this piece of legislation. In fact, the Canadian Bankers' Association mentioned the same frustration. In 1986 it brought to the attention of the government amendments that were needed to the Small Businesses Loans Act in order to make it work. 1987, 1988 and 1989 passed and finally in December 1992 the Minister of Finance put it in his budget papers and it is through the House 60 days later.

I think the government missed a tremendous opportunity by not doing three years ago what it is doing today. However, we are going to focus on the positive today. The bottom line is that this act is in place.

I want to mention two concerns. Even though the Canadian Bankers' Association, the Credit Union Central, the Bank of Montreal and Fédération des caisses d'économie Desjardins du Québec came to committee and said that they liked this bill, they were going to support this bill and they were going to market this bill, I must say through you, Mr. Speaker, to the government that I am nervous about that commitment. I want the government to be nervous about it as well because there is no time. I have said in this House at least half a dozen times that if this legislation is really going to work, if it is really going to do the job we all would like it to do, to pump some hope, some energy and some employment back into the system, we cannot rely solely on the marketing of the banks.

• (1305)

I appeal to the government, and I have taken this up with the Minister of Finance and the minister responsible for small business and I am going to repeat myself on this until it happens, to drive this act, not from the banks to small business, but from small business to the banks. The way to drive it is not by a few of us standing in this House today on third reading. I will definitely put it in my householder and I will promote this bill to all the 2,100 small businesses in my community. However, not all the small businesses in my community or I dare say in every other member's community read our householders.

We have to use the same principle on this bill that the government used on the "we can do it" competitive package. What is the package of the minister of trade called? The prosperity initiative.

An hon. member: That was a big hoax.

Mr. Mills: My good friend Jim Ramsay, using all his old marketing skills, spent millions of dollars on television advertising and sending papers to all households in Canada saying: "We can do it". If the government can spend millions on saying "we can do it", I beg it to use a little bit of the taxpayers' money to help the small business community of this country, not the ones that are already in business. You cannot just go to the Federal Business Development Bank and put it in their profits magazine. With the downsizing of large corporations in this country, there are literally tens of thousands of people right now thinking about starting a new business. We have to get this message into their hands.

I mentioned that there was a women in business conference in my riding three weeks ago. It was just a four and a half hour event. I expected 40 or 50 women to show up to hear how to start a home-based business, how to approach the bank manager and how to do a business plan. We had mentors, women in business who had succeeded, speaking to these women. The shock of the day was that not 40 or 50 women showed up but over 400 showed up.

Today the most credit-worthy customers of financial institutions are women in business. Did you know that? I was shocked, not that I do not think women are capable of running a business but that the banking institutions had such a favourable attitude. They prefer women customers, in business especially. They have a much better track record.

I appeal to members opposite to promote this bill. Take out some eighth page or quarter page advertisements and communicate to the people of Canada that this instrument is available.

• (1310)

If we have to spend $400,000 or $500,000 to let all the small business people, those thinking of getting into business, and those who are in business, know in order to get this bill moving—and I say this with respect to taxpayers who pay this—I think it is the cheapest and best money we could ever spend. If in the next 30 days 100,000 people knew of this bill, went to a bank and each hired one more person, just think what that would do to the employment numbers. As those employment numbers come down, just think of the ripple effect that will have on this economy.

Because the spirit right now is locked in such a state of depression and no confidence, I think anything less than a major approach with this bill is not going to work and we are going to miss a great, great moment.

I am happy today about this piece of legislation. I support this government initiative. I support all the amendments we brought through. One of the real flaws in this bill was the fact that in the past it never had a provision for working capital. Under this legislation any capital purchases that have been made on April 1 or prior, going back six months, can be refinanced under this Small Businesses Loans Act, which would mean that money would go back into their working capital. That is a pretty good instrument.

I conclude my remarks by saying two things to the government: it has one shot at getting some credibility back between now and the end of June, and the only hope it has for getting any credibility is with the small business sector. It has an instrument called the Small Businesses Loans Act. The only way it is going to work is if the government takes some advertising dollars and promotes it. I would also appeal to the government that in 90 days we review what happens with this bill and make sure in 90 days that we ask for a report from all 58 financial institutions in Canada on the number of small business loans each one has approved and how many people they will put back to work in the next 90 days.

Mr. John E. Cole (York—Simcoe): Mr. Speaker, it certainly is an honour for me to stand and speak today to Bill C-99. I would like to take this opportunity to compliment the member for Broadview—Greenwood who has just given an excellent speech. He talked about many aspects of this bill and certainly was a major contributor at the committee level. I do want to have that on record because I think it is important.

An hon. member: He might get pumped up if you continue.

Mr. Cole: We might even get him to move over.

This bill, as has been previously mentioned, was put in place to improve the access of small business to financing and really help increase that working capital, increase the availability of that working capital to small businesses, the entrepreneurs.

That is something to recognize. I believe when you talk to small businesses they want to get going. They feel they are being held back. They feel there are restrictions on their entrepreneurial spirit, on their financial capabilities and on their drive to make things happen. Most of these people have the kind of initiative that it takes, but sometimes they do not have the financial wherewithal to make that happen.

• (1315)

This bill presents a great many opportunities for small business. I think this is a very positive bill and a very positive step.

Someone mentioned earlier the excitement and the really good feeling a piece of legislation like this gives and certainly I concur with that. This is a real opportunity for businesses.

I think about the people back in my riding of York—Simcoe. I think about the Chamber of Commerce in Newmarket, East Gwillimbury, Bradford and the Georgina Board of Trade. In my riding alone there are over 7,000 small businesses that will now be eligible to take part in this program, a program that we could not even find an application for six months ago.

The program was sitting around but we could not get it. It was stuck in the bottom drawer, probably glued upside down to make sure that the loan officer, when he or she went in to get it, could not find the thing so it was not available and whatever happened after that happened.

Many of us in this House have heard those kinds of stories from businesses that have tried in their own way to help the economy. They have said continuously to us: give us some help, give us something. We do not want you to throw money at us. We do not want you to spend more money, especially when we know you do not have any, especially when we are in a deficit position, but just make sure that we have access to money. Put the boots to the banks and the lending institutions and force them to co-operate.

I believe this bill will do that. With the changes we have brought in, I think there will be improved access for these small businesses.

Mention is often made in this place about the importance of small business. I believe the number is rapidly approaching a million small businesses in this country. We want them to be successful because it is going to take them being successful to pay the bills. It is also going to take them being successful to hire more people because the big companies are not hiring people. However, the little companies have the ability to do something like this. What a wonderful opportunity.

Small business is really and truly the engine of this country. It can get things going, create jobs and do some very positive things for the economy and just for the general feeling and attitude of Canadians, whether they are in business or whether they are employees the fact that there is an opportunity there, that there just be a change of attitude by everyone involved with it.

I want to talk a little bit about some of the particulars in the bill. I know we get excited because we have been involved with it. The one other group it is important to recognize is the number of people who may be sitting at home today who do not have a job. Perhaps they received a golden handshake. Maybe they have a few bucks tucked away in their jeans and they are thinking: "Gee, I have always wanted to be in that kind of a business or I have always wanted to set up my business this way. I can manufacture whosits or I want to manufacture something else". This presents a real opportunity.

Think of the dreams of those people who quite often and very recently have had their dreams shattered because of the economy of the world and because of everything that has gone on internationally. Here is an opportunity for these people to take some of their assets, but not all of them, not to lock them up to buy that one piece of machinery to make a dream business start but to have the government back them to the tune of 90 per cent, putting in some of their own capital, again depending on whether the financial institutions are even going to insist on that.

One of the things that was very interesting was that we talked about limiting the personal commitment on these loans. It is in the regulations that the limit is going to be 25 per cent personal commitment as far as the financial contribution is concerned. There are obviously other things that are important like a game plan, the way the business is run, the structure and everything else, including competitiveness and ability to sell product.

• (1320)

We are not asking entrepreneurs to mortgage their houses to the limit, to mortgage their futures to the limit, to sell their car, to do everything else in order to get this one piece of equipment that will allow them to start the business.

We are telling Canadian entrepreneurs that if they have a plan of action, if they can produce a product, if they can convince the institution that this is a good idea, the Government of Canada is going to back this loan to the tune of 90 per cent.

That is going to leave this new entrepreneur, the man, the woman and even the young person today who has these ideas thinking they just do not have enough to buy the equipment and still have some money left over for working capital. Anybody going into business knows they need to have working capital. This plan is going to allow that to happen. I am really excited about this because this is a group of people we have not even tapped. We have not even thought about them. That is an area that certainly has to be addressed.

I look at some of the changes that are a little more technical but they are basic to the whole program. Changing the loan limit from $100,000 to $250,000 is a major step forward for businesses, as is increasing the size of the eligible businesses up to $5 million. We can all recognize that businesses are still small businesses and can still be doing $4 million worth of business in their gross sales. It is very important to recognize that. I think it is something that the business community can recognize and understand. Obviously the banks will recognize that.

The other thing that is important, and it was mentioned a little earlier, is it is terrible putting the limit of the rate to 1.75 per cent over prime. It is too bad that hon. member was not in committee because if he had heard the banking institutions it might be different. That is not the critical factor. It is not the rate.

We want to make sure that this entrepreneur can make this a success. We want to make sure that he or she has a product or the ability to do that.

That is not the key factor. It is important because the banks are owned by Canadians. They are not owned by some person sitting on Bay Street or sitting maybe in the Speaker's chair today. He does not own a bank. They are owned by Canadians. He probably has a lot of shares in a lot of banks, but he wants to see those banks successful.

We as Canadians want to see banks successful. If the banks are not successful we are going to have major problems throughout this country.

It is very important to recognize that we want the banks to be successful but not at the expense of small business and everybody else. That is the key point.

It was very interesting in committee to hear different bankers saying they really liked this program and that it was going to be interesting. All of a sudden there was one particular banker saying: "I think we can do a lot better than 1.75 per cent for most of our customers". There was another banker who said: "I can even do better than prime for a lot of our customers under this program".

There are a number of people who have to realize there is going to be major competition among the banks. It is not going to be a closed shop. It was mentioned earlier about the fear and trepidation of an individual going into a bank. We wonder what will happen when we walk into the bank.

Now small business people will have the ammunition. The facts will be available to them. They will be able to walk into the bank and tell them they have a plan. "I am going to be successful. I want to do something. I want to be an entrepreneur". We all have good days and bad days. Maybe the loans officer of one particular institution says he does not think someone is a very good risk and does not want to get involved. However that business person is now going to be able to walk across the street and maybe get a rate of 1.75 per cent, maybe 1.5 per cent, but that entrepreneur is not going to stop there. He or she is going to go to another lending institution and say: "Look, I am getting a loan under the Small Businesses Loans Program of x dollars because I have this program and I am going to go ahead with this. Can you beat that rate?"

• (1325)

We will see major competition among the lending institutions because they are going to want to take part in this. They really want to take part in this. This is a good program. It is a win-win situation, if you like to look at it in that regard among the lending institutions and the business communities of the country. If they both win, the country is going to win. People in Canada are going to do much better as a result of all of this.

Earlier we talked about some of the changes the committee had recommended and the minister has responded by changing the six-month retroactivity. We can all think of businesses that are struggling right now. Perhaps they bought some capital equipment maybe two or three months ago. As long as it is within that six-months prior to April 1 when this comes into effect they are going to be able to use it. That is a major change. Before it was 90 days. It was going to be too tight. The committee members recognized that and the minister responded by making this change. I think this is a major plus.

There is also protection for the government. We are saying to business, we are saying to the banks that it is a two-way street. We are going to make sure that a cost recovery fee is put in there to make sure that the people of Canada are not on the hook for all of this. That is an important aspect to keep in mind.

We have had some discussions concerning the eligibility of some businesses in Canada. As I said when talking to some of the officials, and I think they understood where I was coming from, in my riding there are about 7,000 businesses. I would bet that under the proposed legislation 20 per cent of them would not have been eligible. It was suggested that the bill could be fixed up and they could be made eligible in the regulations.

That is fine but you and I know, Mr. Speaker, that there are not too many Canadians and fewer businesses that have ever read the regulations of any act, let alone proposed regulations in this bill and understand, particularly after the bill has said they are not eligible.

I am very pleased that we were able to make these changes and the officials were able to understand where we were coming from. Now all these businesses will be eligible. A business that is active, that is manufacturing, maybe it is in the insurance business, maybe it is in the automotive business, and maybe it is in the real estate business, because those are very active businesses in my view.

We are not suggesting for a moment that a person could go out and purchase a piece of land under this program and hope it is going to go up in value. That is not an active business. That is not what we are suggesting. That individual has other ways of raising funds and it is certainly not to be going through the Small Businesses Loans Program. It is very critical that we recognize that.

It was mentioned earlier that there needs to be a commitment by the Government of Canada to promote this program. I agree. I could not agree more. I am not an expert in advertising and promotion but I know that by word of mouth, by communicating with chambers of commerce, boards of trade, we will get the message out.

I think quite frankly it is necessary for the Minister of Small Businesses and Tourism to work it into his budget, to advertise and promote this to businesses, but also to those individuals who might be thinking about starting a business. Those are just as critical if we look at this process.

• (1330)

I mentioned that to the minister earlier this morning before he unavoidably had to leave Ottawa. He agreed with me. He said that he will do everything in his power to promote this particular program. I believe that is the right way to go. I believe that if we can do this, if we can market it, many people will benefit directly and many more will benefit indirectly.

I think I have covered most of the bill. It is an important piece of legislation. I could probably go on for a lot longer, but it is Friday afternoon.

I do want to take the time to particularly thank the members of the committee, the witnesses who were very informative, very constructive and helped us quite a bit in making the changes and particularly to the staff of the minister's office who were able to accommodate the concerns we had by making the amendments and changes.

Mr. Rod Murphy (Churchill): Mr. Speaker, it is a pleasure to rise on this bill. It is not often that the New Democratic Party supports a piece of government legislation. I must admit in the last eight years of this particular government it has been very seldom that we have actually supported a piece of its legislation.

I agree with a lot of the statements made by the two previous speakers. We really need to make sure that small businesses and those that are in small business know about this opportunity.

We do not want to see one of those fancy government ad programs where it is patting itself on the back saying: "We have done a wonderful job. Rah, rah for us". We want an informational campaign. It is hoped that whatever campaign is proposed by the minister ends up as an information campaign as opposed to one of those that might be considered a pre-election campaign, especially at this time.

I am very concerned there is no monitoring system to make sure that the banks are actually allowing their customers to use this program. We have heard many good words, many good intentions in this place and in the committees of the House of Commons. Quite often circumstances change, new opportunities develop and perhaps banks or other lending institutions, to be fair, may have other priorities.

We recognize that the government has gone quite far in insuring the risk for the banks. That should be enough to encourage them to promote small business in this country. However, I do have to disagree with one of the other statements made by the previous Conservative speaker. I do not believe that increasing the rate from 1.5 above prime, which was the government's original intention, to 1.75 per cent above prime is any indication of the banks' competitive spirit. It looks more like greed to me.

We heard the hon. member indicate that the banks say: "We can offer less than prime with this bill". If that is the case, why is the government amending the purpose of its own legislation through regulation? If it believes what the banks said in front of the committee that 1.5 per cent is probably not even necessary, that the banks will be offering loans to small businesses at a much lesser amount, then why is the government increasing the maximum?

I also do not believe it is the individuals with personal loans or small businesses in this country that have threatened the financial situation of our banks. Our banks had record profits after taxes year after year after year. It is only their own bad loans to very large institutions that have caused their financial plight as of late.

• (1335)

I think the previous speaker from the government side may have left a wrong impression. The problem is certainly not created by small businesses and individual borrowers. Most Canadians will pay back their loans. One problem that most small businesses have is getting the money in the first place. They have not been defaulters in great numbers, although I do recognize that with bankruptcies and all the rest of it there certainly have been some problems in that area.

This is a good measure which is supported by the three parties in the House today. The others are not here today, so I do not know what they think. We have said that we support the legislation. We hope it works. We hope the government monitors the situation. We hope the government advertises appropriately in this area and we hope it can report back to this House that there has been great success in this area.

When I was the regional and economic development critic for our caucus, it would upset me when I got the figures from DREE, the old Department of Regional Economic Expansion. When I looked at where the money from the government was going, it was going to large corporations. We asked: "How much are you getting when you give a large corporation $100,000 or $1 million?" The government would admit in the figures produced for me year after year that investment made by the government in small businesses was producing more employment. To be fair to the government, the Liberals were in power at that time. Using the government's own figures it was very difficult to understand why small and medium-sized businesses were not getting a larger share of government support through loans, grants or whatever.

It seemed that the government of the day and its officials, many of whom are still here in top positions, had blinders on which made them say: "We have to have the megaprojects. We have to go to the big schemes. We have to give a lot of money out". Maybe it was for political purposes, I do not know. But there was no focus on developing small business.

In an earlier intervention today I said that we have all had people come to our constituency offices. Some of these individuals are in business or want to be in business. They are finding it very difficult to get loans and support from the banks.

This legislation is a challenge to our banking institutions. They obtained the amendments they wanted. They are getting the improvements, the higher profit that they wanted through regulations. They said they would go out and sell this program. It is the job of the House of Commons and especially the government to make sure that happens.

While I have the opportunity to speak about small businesses, I will be very brief because I know there are others who want to speak and I understand that there is an assurance that this legislation will pass this House by three o'clock today, so I am not going to abuse this opportunity.

During the last trip I made to my riding I talked to small business owners. I would say that the great majority of those people, by nature, are not supporters of the New Democratic Party, although a few have made donations to my campaign in the past. I was still facing a great outcry against the goods and services tax. We have had hard economic times in this country. I heard from tourist operators, small machine operators and people in retail business who said that the GST was killing their businesses. Those are their words, not mine.

It is time that the government stopped listening to the large concerns. We know that the Canadian Manufacturers' Association has always promoted the goods and services tax. We can understand why a number of the large corporations in this country, especially in some sectors, were very favourable to the goods and services tax.

• (1340)

However, from day one small businesses knew that the goods and services tax was going to hurt their businesses. They knew from day one it would be harder to attract tourists. They knew from day one it would encourage people to cross our borders and shop in other countries. They knew from day one it would add to their administrative costs. They knew from day one it would make attracting Canadian customers into their institutions that much more difficult.

Now some would say that Canadians have to shop somewhere and most will shop at home and therefore most small businesses will not suffer. The reality is they are telling me that they are suffering. They are telling me it is time to get rid of this tax.

Since the government has done one good measure today, a measure we support, I can assure you that if it moved to get rid of the goods and services tax we would support it yet again.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I am very pleased to have the opportunity to rise and speak on Bill C–99, an act to amend the Small Businesses Loans Act.

As my colleague pointed out earlier it is one of those unique opportunities when we on the this side of the House have an opportunity to agree with and support legislation that this government has brought forward. This is certainly the case with respect to this particular piece of legislation. So I stand and give my enthusiastic support to see this legislation go through.

We have to recognize that our small business community is really the life–blood of our social communities throughout Canada. Small businesses are the major engines of growth in our economy. Eighty to ninety per cent of all new jobs created over the last decade have been created by our small business sector.

Over the past 10 years Canada's large corporations, many of them branch plants of U.S. companies, have fared very poorly in terms of job creation. The figures indicate they have not provided one iota of new jobs over the last 10 years. New jobs in Canada over this 10–year period have been created largely from our small business entrepreneurial sector.

Had it not been for our small business communities from Victoria to St. John's and their ability to create jobs and their ability to attempt to continue the stimulation of the economy, the job loss we have experienced as a result of the restructuring that has taken place with the free trade agreement would have been even greater than it has been. Much of the credit has to go to our small business communities in their demonstrated resilience and their ongoing ability to maintain job creation.

I am thinking back to a previous piece of legislation that passed through this House with the implementing legislation to allow the government investment in the Hibernia oil fields. I was quite upset at the time. I pointed out that the government had decided to spend millions of dollars to basically subsidize yet another energy megaproject.

I come from the province of British Columbia. A few years back in the old Bill Bennett administration hundreds of millions of dollars in taxpayers' money was spent in trying to develop the infrastructure for the export of north-east coal. That was another energy megaproject.

I said at the time with respect to north-east coal and also with respect to Hibernia that the number of jobs that can be created from such investment is really very limited. One has to spend over $1 million of capital investment in projects such as Hibernia and north-east coal to generate one long-term job.

• (1345)

If we take that $1 million of capital investment and, rather than apply it to the megaprojects that past governments have been so willing to endorse, put it into the small business sector we find that 40 to 50 times the number of jobs will be created: long-term jobs, lasting jobs, jobs that provide cash flow in our communities and tax revenues for the government. We find that 40 to 50 times the number of jobs can be created for every $1 million of capital investment in the small business community than can be created with capital investment in our energy megaprojects and our large business sector.

That is real bang for the buck. Getting back to the current legislation before us, I was very pleased to see the government has at least attempted to recognize the necessity to provide assistance for our small business communities so they can get on with the job of serving the public interest and creating jobs.

We all know that the 4,000 to 5,000 job loss directly or indirectly attributed to the free trade agreement has been very damaging to Canada's economy, particularly in the central region, in Ontario and Quebec. We need as much assistance as we can from our small business community to overcome the long-term damage brought about by the implementation of the FTA.

The amendments in the legislation, the amendments to the Small Businesses Loans Act, provide a greater flexibility to encourage the Canadian banking system to assist the government in its task of creating economic incentives for small business development.

Our banks have been very reluctant. If we go into our communities and talk to people in the small business sector, we find out that they are extremely frustrated with their inability to obtain financial assistance either to start a company, to expand a company or to invest in a company for future growth opportunities. They are extremely frustrated with the hard-nosed, hard-headed, almost pigheaded attitude of established Canadian banks.

I am pleased the changes brought about by this legislation will hopefully encourage Canadian banking institutions to loosen the purse strings and provide the opportunity for small businesses to acquire the SEED capital needed to run their particular businesses.

I understand there has been a number of amendments made to the legislation. One amendment would increase the interest rate charge to about 1.7 per cent above prime and liability underwritten by the Crown would increase to 90 per cent from 85 per cent.

Those changes have been made to encourage Canada's banking system to be a little more forthcoming in providing the necessary loans for small businesses. I am very pleased to see them. The increase in the size of businesses eligible under this amended Small Businesses Loans Act will go from some $2 million to $5 million in annual gross revenues.

I understand as well that loan limit will more than double from $100,000 to $250,000. These changes are positive ones. They are changes that are necessary. They are changes that will allow more flexibility in helping our friends in the small business community to fulfil their obligations and their desires to contribute economically to the growth of our communities throughout Canada.

• (1350)

It is one of those unique opportunities when as a member of the opposition I have an opportunity to agree with this government and to support this government enthusiastically. Small business people throughout our larger cities and our smaller urban centres need and desire the assistance this amended legislation could provide.

If I could summarize, we have to look very carefully at focusing what assistance this government can provide. We have to recognize that in future years we will have to provide the financial incentives necessary to generate the maximum amount of job creation that we can.

That is not coming from our large corporate sectors. Canada has seen a veritable haemorrhage of jobs from large corporate entities across Canada, jobs that have left Canada, have gone to other areas such as the United States and even Mexico, and are not coming back. This kind of restructuring is permanent.

In order to combat economic haemorrhaging we need to provide the assistance our small business communities require now and will require in the future so that we can hopefully re-energize the economy and create the jobs that have been lost over the past few years.

I am pleased this legislation has come forth and I am pleased to support it.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, I take pleasure in having an opportunity to put a few remarks on the record concerning this legislation on small business.

I want to take a different tack. Small business is a very broad term. We tend to think in terms of small manufacturing organizations, retail outlets or service opportunities. One area of small business involves the fishers who participate in the Pacific fishing industry off the coast of British Columbia. These individuals view themselves as small business entrepreneurs. They are generally individuals who own a fishing vessel, who go out in pursuit of economic activity and who generally participate in the ebb and flow with the prevailing nature of the resource, the economy and the management plans of the Department of Fisheries and Oceans.

The impact of the combination of the chartered banks and the Government of Canada on fishers or that small business sector on the coast of British Columbia is interesting. I want to talk about what the government has done to fishers in the Pacific fishing industry.

First, just over 20 years ago along came a fellow named Jack Davis, a Liberal minister of fisheries, who decided the way to resolve the problem of overfishing on the west coast was to put in place a licence limitation program. I guess we can say that was the first government impact without any response to consultation. In this small business area many people actually advocated against the activity. The government forged ahead and imposed on these small business people a regime that was extremely harmful, contrary to the recommendations made by people in the industry and wise observers. This was the wrong approach. There was no consultation.

This licence limitation program created an enormous increase in fishing capacity. People went out, especially some companies involved in the fishing industry, and pulled every wreck off the beach in British Columbia and threw a fishing licence on it. They understood clearly how Jack Davis and the Liberal government had instantly created a source of enormous wealth. They pulled those wrecks off the beach, put licences on them and created an enormous increase in capacity. Some individuals became very creative in further increasing the capacity when they pyramided those licences and turned—

The Acting Speaker (Mr. Paproski): I am sorry to interrupt but the hon. member for York—Simcoe has a point of order.

• (1355)

Mr. Cole: I rise on a point of order, Mr. Speaker. The hon. member is well-intentioned and is making some very valid points about the fisheries and fishing conditions on the west coast. I certainly appreciate his concern, but today we are debating Bill C-99 and his comments are totally irrelevant to the bill. I would ask that the member speak to the bill on the Order Paper.

The Acting Speaker (Mr. Paproski): Knowing the member for North Island—Powell River, I am sure he will become relevant.

Mr. Skelly (North Island—Powell River): Mr. Speaker, one of the major problems is that the Conservatives do not in fact see the relevancy. There are thousands and thousands of people who view themselves in that industry as entrepreneurs dependent on the actions of government and the chartered banks which in combination have caused them harm over the years. If they listen they will begin to understand the correlation between the two items today. I thank the hon. member for presenting his point of view.

To continue the key point, people were able to pyramid these limited licences from gill-netters and trollers and create seiners. By pyramiding they created tremendous increases in overcapacity, further increases in overcapacity. The capacity to catch fish increased well beyond what the resource could ever tolerate.

The department responded correctly with its only weapon and reduced the fishing opportunity. The reduction in fishing opportunity set off a whole new range of capital expenditures. It forced these entrepreneurs, these small fishermen or fishers, to head to the banks under what the government had created, the fisheries improvement loan.

We should notice the small business protection procedures that are in place. In the beginning it was well-intentioned. It was to provide a source of guaranteed funds that the government would guarantee to the banks, if the fishers did not deliver on their payment program and they were able to increase the overcapitalization of those vessels.

In response, the Department of Fisheries and Oceans again reduced the fishing opportunity time. There was more and more limited time to fish in the face of the most efficient catching machine in the world in any industry, this enormous efficient capacity encouraged and fuelled by the management program, encouraged and fuelled by the licence limitation program, encouraged by the banks and a government that provided guaranteed loans.

All of a sudden it crashed. The resource in down-cycled years was not there. The fishing opportunity became even tighter. At the same time interest rates began to rise dramatically. People could not catch enough fish to make the payments on their boats. Then the cycle began of the banks seizing their vessels and people being driven out of the industry with a vengeance. There are all kinds of cases where the banks simply said: "We want to get rid of this loan. We do not care. It does not matter. We are worried about other aspects of the economy. We are going to yank your fish-boat anyway and put you out of business in order to get it off our books".

To give some credit to the Liberal government there was a policy that once the guaranteed loan had been dealt with, with the banks, that was it. They were not interested in taking their homes. They were not going after people who had co-signed the loans. They said: "Enough is enough. We have driven you out of the industry and that is it".

At one point there was a suggestion of putting a couple of hundred million dollars into a buy-back program to relieve these entrepreneurs, these fishermen; to get the capacity out of the industry so it simply did not move away from the bankrupt individual into the hands of another fisher who could be a dentist in Toronto, the way the government set it up; and simply to keep the capacity in the industry. They thought they would just let it bankrupt its way out. They did not go after the homes or the family members who co-signed.

Then we come to the 1980s. The Liberal government decides it has a fiasco and it hires Peter Pearse who says that the way to deal with it is to turn around and manage the fishing industry like they did the forest industry in British Columbia, to turn the whole thing over to 10 big companies, to increase the ability of a small number of people to catch fish and when they deliver the fish to charge a royalty, to get rid of people within the Department of Fisheries and Oceans who are no longer needed to police a small fleet, and to make the fishers pay for the landing and the landing inspection facilities. There is no need for enforcement.

Then we have the situation where these business people have been absolutely shafted by the banks and by the downturn in the economy, the increase in interest rates, the increase in fuel prices, and have been driven out. Along comes Pearse and says: "Let's drive them out even further". So we get a situation in which Pearse wants to model the fishing industry the same way as the B.C. forest industry so that there are a small number of extremely large fishing operators and the marginal ones are gotten rid of.

• (1400)

At that point in time that comes along. In come the Conservatives in 1984 and they say: "Oh, oh. We see quite a big pile of money that we would like to go back and recoup". They reversed the policy. The policy now was to go after those people who they guaranteed loans to the banks for. They hired a chartered accountant firm to go back and figure out how much money there was and how to put this in place. They then told the chartered banks: "You signed a clause in these agreements years ago to go back and shaft these people. We want you to go after the co-signers. We want you to go after their homes, their cars, and their assets, and clean them out even further".

That is exactly what they have done. They have revisited these people who have gone through a horrible period of time. They had rebuilt their lives after this catastrophic event which was a combination of government policy, banking, and a misguided approach to things.

All of a sudden these people are visited again, and it is going on today. They are yanking away homes and forcing extreme payments out of people. It has to change. There is a group called the Fishing Redress Committee headed by an individual named Jack Larson on the coast of British Columbia who lost his vessel and virtually lost everything. He is representative of a large number of people to whom this government owes the removal of this harassment a decade later. It went back after assets that they had because of an obscure clause in this thing. It is really a vengeance that has been visited on these people and it should be removed.

The second issue is the whole question of the advisability of the Pearse program. It is continuing. Its objective is to create a small group of bigger and bigger businesses in the fishing industry. It is driving small businesses out. We have a situation in which the government from day one—when the Speaker was the minister of fisheries I remember him campaigning in the riding I represent and saying: "We don't accept Pearse's program. This is the wrong way to go".

Yet this government for nine years has followed it as if it were the Bible. It has wreaked tremendous hardship against people in the fishing industry and the coastal communities of British Columbia. This is a small business sector of entrepreneurs who have been shafted by the banks and this government's policy, and it is continuing.

We now find that the government has involved itself in another policy, the aboriginal fishing strategy. It is interesting. Small business people are involved in this. I know the member has sat in front of a three-day committee and listened to their concerns but there is no response to the concerns.

The minister stood up and said: "Well, what is the NDP point of view on this particular sector that involves fishers?" It is that the Supreme Court has laid down the aboriginal right to fish. You can fish by chaos or you can fish by an agreement. We support an agreement for these individuals in the aboriginal community and the agreement with—

Mr. Belsher: Point of order, Mr. Speaker. I have listened with great interest to the hon. member and he has taken us all over creation with regard to the fisheries in B.C.

I do not understand the relevancy he brings to this bill at this time by talking about the current situation of the fishing industry in British Columbia. Would he please come to the point and speak to the bill that is in front of us.

The Acting Speaker (Mr. Paproski): This is the second time the hon. member has been interrupted as far as debate is concerned. I wish the hon. member would deal with the small business part of the fishing industry.

Mr. Skelly (North Island—Powell River): Mr. Speaker, I appreciate that the hon. member for Fraser Valley East does have trouble comprehending this issue. Short of sitting down and drawing him a picture I am doing the best that I can.

This is another government program that is really causing enormous hardship to that industry. The aboriginal fishery strategy is going to create allocations for aboriginal people. It is going to create opportunities for management in recognition of the years that there was a need for greater participation.

• (1405)

However, at the same time there needs to be protection and conservation of that resource, there needs to be decent and fair consultations with all stakeholders in the industry and there needs to be a fair buy-back program on the order of a couple of hundred million dollars, not a paltry $7 million, so that these people in the business of fishing who want to voluntarily leave the industry can hope to sell their boats. They were put in this situation by poor government policy and the banks.

We do not take objection to the need for responding to the aspirations of aboriginal people to fish and to have fair agreements but we do take profound exception to the failure to observe the basic requirements of conservation, consultation and compensation.

Motion agreed to, bill read the third time and passed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Thursday, February 25, consideration of the motion of Mr. Beatty that Bill C-109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act, be read the second time and referred to a legislative committee in the Departmental envelope.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it is my privilege today to be able to speak on Bill C-109 and reply to the Minister of Communications who delivered the speech on behalf of the Minister of Justice.

For the most part this bill includes some very good stipulations. I look upon this bill as really being in two parts. The bill deals with the police use of electronic surveillance methods and introduces protection of radio-based communications and cellular phone calls.

First, we are dealing with the electronic surveillance methods of the police, and second, we are dealing with the protection of radio-based communications.

With respect to the police use of electronic surveillance methods, there really is not much of a problem. There really is a need to make some changes in this regard to allow the police to be able to do their work. Some of the problems I have are in the area of radio-based communications.

However, it is our hope in the Liberal Party that the bill will get second reading so that it can go to a legislative committee. Then we can have the witnesses and the expertise before the committee that we need to really answer some of our concerns, and certainly some of the concerns that I have.

I would first like to deal with the first aspect of the bill concerning electronic surveillance methods. This part was formulated in response to three Supreme Court decisions in 1990, the Wong case, the Duarte case and the Garifoli case, and the Wise decision in 1992. The Minister of Communications outlined these cases yesterday in his speech so I will not go into the details.

As a result of these decisions the police found that they were severely restricted in their use of electronic surveillance and have been urging government since that time to update legislation in such a way as to once again permit the use of traditional surveillance.

Bill C-109 does this in four main ways. First, it allows the police to use electronic surveillance where there is a potentially dangerous situation.

Second, it allows judges to authorize such surveillance with the consent of one of the parties involved in the surveillance.

• (1410)

Third, it allows judges to issue similar authorization in other circumstances where it is clear the request for authorization meets the tests prescribed in the charter.

Fourth, it streamlines the procedure in the Criminal Code for introducing evidence obtained by electronic surveillance.

Reinstatements, police and undercover agents use these electronic lifelines. Conversations are recorded and used from these lifelines only if the surveillance is for the protection of bodily harm.

There are limits that are placed upon the evidentiary use of such material. For instance, it cannot be used to prosecute other crimes. That is fairly straightforward and it makes a lot of sense.

I think the police are supportive of this legislation. They have been pressing for changes. They believe that electronic surveillance is vital for fighting organized crime and drug rings in particular, and there is a good deal of justification in what they are saying.

As well, authorized public agents and others who assist these police and undercover agents, for instance landlords who permit entry to a residence, would be afforded protection from civil and criminal liability. This is meant to prevent litigation chill from deterring law enforcement.

Judges can also authorize use of video surveillance and tracking devices in circumstances where audio surveillance would be permitted. One could say that with these recommendations in this part of the bill better use will be made of the judge's time with respect to issuing authorization warrants and evidentiary rules. This is in response to what the Supreme Court called the "procedural quagmire" with respect to the above.

The definition of private communication is changed in two ways. Either the originator or the receiver would have to be in Canada and scrambled radio communications would also be covered.

I would like to state a couple of things that the minister said yesterday in his speech which I think are important. He said that the primary purpose of these amendments is to permit the use of technology by police forces in the performance of their duties, but only in a way that does not contravene the Canadian Charter of Rights and Freedoms. That is very significant. I can support what the police want to achieve if I feel that the charter is being respected.

I do not think anyone in this country wants to frustrate the police in their duties. Goodness knows, they are having a difficult time as it is. We have to ensure that while we are giving the police the means to be able to do this we are not interfering with the rights of the Canadian public. I do not think we are. If we are I do not think we have to. We can counteract that. I want to repeat, that is my concern.

The minister feels that the amendments would have the effect of simplifying the rules of admissibility of evidence. They would also increase the effectiveness of both the police and the Crown prosecutors in accordance with the recommendations of the Supreme Court. We are talking about the resources police officers need to perform their duties satisfactorily. I do not think anyone could quarrel with that.

We need good testimony to reinforce that. I want everyone to know that we in the Liberal Party support the police in this area. I think it is very important that we work toward that.

• (1415)

I would like at this point to move on to what I consider the second part of the bill, about which I do have some concerns. This part would create an offence of intercepting maliciously or for gain communications over cellular phones. The maximum penalty would be five years. It would also be an indictable offence to wilfully disclose the existence or contents of intercepted cellular phone calls without the consent of one of the parties to the call. A maximum sentence would be two years.

Under this bill it would also be an offence to divulge or make use of cellular phone calls, faxes and computer signals carried on certain frequency radio waves. It would be a summary offence with a maximum fine of $25,000 or one year for individuals and $75,000 for corporations.

Victims of divulged communications could sue the divulgers for unlimited damage. I think you can see where this is going. It is going into sort of a grey area, an area of concern. It is not that the idea of what the government may want to achieve is not laudatory, it is just very confusing and somewhat misled.

The bill tries to give radio communications similar protection as is now given to other private communications as required by recent technological advancements. These amendments recognize that radio waves can be used for more than voice transmission. They would eliminate the loophole in cases where intercepted communication is not a voice transmission.

There have been criticisms already of this part of the bill and I think with some justification. The Canadian Association of Journalists strongly opposes this because it believes the bill severely hinders freedom of expression. This particularly refers to sections which cover cellular phone conversations. They believe the government is trying to protect business interests of cellular phone companies that pay the government millions of dollars in licensing fees. I think that is an aspect which is worth considering.

These cellular phone companies are very prosperous and would have the money to lobby hard for such legislation. As people become more aware that conversations on cellular phones are happening via public radio waves, these companies may lose business.

It is to their advantage to protect the privacy of their customers. In that, the government is taking the ball and running in the direction pointed to by these companies. Politicians and governments are major users of cell telephones. You could say that perhaps it is a self-interest, that government and politicians simply want their indiscretions to remain confidential. I think that would be a little simplistic.

The media will suffer from a bad case of "libel chill" if such legislation is passed. I think that is of concern to them and I can see why it would be. They would be sued if they used information gleaned from conversations which took place over cellular phones.

The Canadian Association of Journalists argues that cellular phones are not regular phones and should not be viewed as such. They are simply sophisticated CB radios. As the Minister of Communications said, the cellular phone is not a cellular phone at all, it is a radio. Every conversation is a radio broadcast transmitted on radio waves. Every conversation unless specially treated can be monitored by anyone with a scanning device.

• (1420)

He said this last December and essentially he reiterated in his speech yesterday. What happened between then and now? What happened when he made this statement? One can only speculate as to the arguments, to the considerations and so on that is now making him a champion of the privacy rights of the cellular phone users.

In the United States, if I may look to that country for a moment, the situation has been handled somewhat differently. In the United States scanners are illegal. In Canada there are far fewer scanners than there are cellular phones and cordless phones, which by the way are also susceptible to interception.

The Minister of Communications has decided that it is easier to stifle freedom of expression than to ban radio scanners, perhaps because the owners of radio scanners are individuals who do not wield the clout of large cellular phone corporations.

As I have stated, the Liberal Party will support this bill on second reading because we want the information and the dialogue that the legislative committee can give. We want it very much to have good competent witnesses to give this the closer examination that we feel this bill needs.

For my part, my criticism of the bill centres around the sections dealing with cellular phones. The bulk of the legislation does address electronic surveillance. Police have been asking for such legislation. The latter is important and must be dealt with in light of the recent Supreme Court rulings.

The whole bill warrants close scrutiny. With respect to the cellular phones and the cordless phones, we have to examine this a little more at this time to bring forward more of the potential problems that can arise.

This bill will also allow victims to obtain injunctions and sue for unlimited damage in the civil courts. The bill not only prohibits disclosure of the contents of the cellular phone conversations to anyone under any circumstances, it also bans disclosure of the existence of those conversations even though it is perfectly legal to monitor unscrambled radio-based conversations.

While we can monitor radio-based conversations, the Minister of Communications is saying that cellular phones and cordless phones are in fact radio receivers. We are saying an orange is not an orange, an orange is an apple here. I have a little problem with that and I do not know how that is going to be projected legally in the courts.

I also feel that Bill C-109 would certainly protect the commercial interests of cellular phone companies that pay government millions of dollars every year for their licensing fees. I am also concerned that they are going to be shielded from the consequences of the indiscretions they commit on the airwaves and the lack of work that needs to be done if the right course of direction were taken.

• (1425)

We also have to look at a bench-mark here, and that is what we are trying to achieve with the restrictions on cellular phone conversations. First, we have to ask is this the right direction to take? Second, are we not asking a question here that the price is going to be far too high for what we want to achieve? I am concerned that we are doing just that, that we are really infringing on the rights of Canadians for the wrong reasons if there ever are right reasons for something like this.

It is very important to understand that there are one million cellular phone subscribers in Canada as well as several million cordless phones. They can be very easily monitored.

The Minister of Communications says it is unreasonable to ban the scanners. The Americans were able to do it. I do not agree with everything that the Americans do but I just do not see the unreasonableness of banning scanners.

We are saying you cannot listen in on cellular phone conversations, use the information that you hear in those conversations, transpose it or relay it to somebody else who can use the information but we should not ban the scanners.

I do not agree. Please do not get me wrong. I do not condone eavesdropping, I do not condone the infringement of privacy. I do not condone the malicious utilization of private information for public or private gain, but I do think we have to move in the right direction. If we do not, then we are not correcting the problem, we are misleading the public. I think that would be a very sad thing to do and certainly something I do not think the government is intending.

Once again I would like to look at what the minister said. As reported at page 16492 of *Hansard*:

> The second amendment included in Bill C–109 is close to my own heart and deals with the issue of cellular radios and personal privacy. Not long ago *The Financial Post* conducted an experiment listening to cellular conversations on an easily obtainable inexpensive scanner. In a brief period of time the *Post* intercepted calls made by stockbrokers, real estate agents, federal bureaucrats, police and others. The subjects varied from the mundane to the illegal, everything from what to serve for dinner to where to conduct a drug transaction.

He goes on to say in another situation:

> During one two–hour session *The Edmonton Journal* heard one caller give his credit number over cellular, one woman give her address to a date, several intimate conversations and numerous business telephone calls. Another caller mentioned by name a man recently diagnosed with terminal cancer. It is possible the *Journal* reporter knew about this before his next of kin.

Then he goes on to say that privacy is disappearing and Canadians are worried about it. There is no question that privacy is disappearing. I want to know whether the provisions regarding cellular phones are going to change that.

• (1430)

I do not know how many newspapers the minister has contacted about their listening in on cellular phone conversations. I do not know if there has been a program to determine this or what. I, frankly, do not appreciate the government cavalierly discussing this with newspapers as if this is some kind of survey. I think it is much more serious than that.

Whether you make it illegal or not, there is nothing in this section that is going to stop the abuse. Sure, you can say to someone that they cannot listen to another person's phone conversation, that they cannot benefit from it, that they cannot pass it on to somebody else, but how in heaven's name are you going to prove it? If something is picked up on a cellular phone conversation and used, chances are you are never going to know that it was picked up and, if you do know, you are never going to know by whom. Chances are that the person who picks it up is not going to tell everybody that they have done it. The ones who will be punished are the ones who somehow are known through their conversations with other people that this has happened.

The problem is that it is not addressing the abuse. There are many ways to get away from it. It will be done day after day after day. Those who do it, maybe for a reason much more bona fide than most, may be caught and charged.

What we want here, surely to heavens, is to give Canadians the sense that their privacy is not being invaded and that this abuse is going to be corrected. It is not going to be corrected by giving them the false sense of security that their cellular phone conversations are going to be secure because they are not going to be secure, not by a long shot.

Most people in Canada are not technically sophisticated on the operation of a cellular phone. They do not realize that every phone call they make can be picked up by scanners, of which there are 900,000 in Canada. A lot of people are just interested in what other people say.

The reason we got away from the party line was because we did not want people listening in on our conversations. You did not know if your neighbour was telling people what he or she heard, but you knew that he or she did hear your conversations. It was an invasion of privacy. This is going to be much worse than a party line because everybody is going to be your neighbour, everybody, and you are not going to know it. Moreover, with the party line you could at least hear clicking at the other end so that you knew somebody was on the line. I know how to do it, yes. I have been on a party line, I have got this down pat. The point is that you at least had a little tip–off. But here there is no tip–off.

People are being led to believe that this legislation is going to protect them. It is almost a legislative entrapment to put this forward in its present state. I think we are going to have to really examine this and make some changes.

I want to quote what the minister said: "We found that the majority of Canadians feel they have less privacy today than they had a decade ago. There is a sense that personal privacy is under greater pressure today than used to be the case". I could not agree more.

He also said: "Briefly, the principles are as follows: Recognition: privacy is a right, respect it; informed choice: users must be aware of privacy implications and services they are offered. The truth is the cellular phone is not a telephone at all. Every conversation is a radio broadcast transmitted into the air on radio waves and is very public indeed". He is reiterating what he said at first reading, that these are not telephones, they are radios and we are utilizing the radio airwaves which are open to everyone.

• (1435)

It is a radio but it is not a radio because the government says it is not a radio. It is like saying February in Ottawa is summer and it is not cold. You cannot just by legislation make reasonable designations that are going to be helpful to the Canadian public. I think we have to look at the reality and that is this is not going to work.

The minister also said: "I have asked my department to work on a media campaign which will help to transmit our message". I have a problem here in that the message that the government wants to transmit is not the correct message. It is going to say that you are not allowed to listen to a person's conversation and if you do, you can be charged both criminally and in civil court for unlimited damages. If you pass it along to somebody else you can be charged civilly for unlimited damages.

That is not the point. The real message here is that cellular phone conversations are not safe and nothing in this bill is going to make them safe. That is what Canadians need to know.

If it wants to pass on other messages, fine, that can be an ancillary message, a footnote or a matter of opinion, but that is all it can be, a matter of opinion. We are not acting in the best interests of the Canadian public by spending millions of dollars to tell Canadians about their rights on cellular phone conversations which are not effective.

The minister then went on to say: "This brings me to the third critical element of our strategy which is prosecution. There is nothing particularly damaging about listening to someone else's conversations. However, when a third party uses that information or passes it to another party, irreparable damage can take place. Canadians need to have legislative tools to defend themselves against invasions of their privacy. Give them these tools. The Minister of Justice and I are proposing complementary amendments to the Criminal Code and the Radiocommunications Act. First of all these amendments will deem all encrypted radio based communications to be private and protected by the full strength of the law. Second, the proposed changes to the Criminal Code will prohibit malicious and profit-motivated interception of any radio-based telephone communication. Anyone who deliberately intercepts communications with the intention of harm or any other motive of securing a financial advantage should be subject to prosecution".

It is not satisfactory to tell people that they are going to be prosecuted for something that is not going to secure their rights in the first place. It is awfully difficult to tell somebody they violated a law when everybody else who wants to do it, or 90 per cent or 80 per cent of those who want to do it, are getting away with it. Because they blabbed, because they could not stand that no one knew that they had committed the first perfect crime and had to tell people, they are charged.

We may get some transgressors but we are not dealing with the problem. We have to ban the scanners. We have to garble the message somehow. You have to at least be able to know when someone is intercepting your call and you have to tell people that this means that communication is not safe, at least not yet.

This is a very unsettling portion of the legislation with which I have some problems.

• (1440)

We will accept it on second reading because we want it to go to a legislative committee. It is not a good fact basis for law. I hope the government will consider this even before the committee meets and give consideration to making changes. If not then certainly our priority in committee will be scrutinizing this very carefully.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise as justice critic for the New Democratic Party to speak on this bill.

My friend from Cape Breton—The Sydneys is correct in that the bill is divided into two parts. The first part deals with matters of wiretap and so on and concerns police officers and a few others.

The second part deals with cellular phones and the like. It worries me a bit that this bill, which is such an important bill on such an important issue that affects so many Canadians, is coming at the end of a dying Parliament.

We have to get at it for some reasons. It is mainly because the courts and the police require it. The Supreme Court has directed us to make amendments and the police require them to make life safer for them. At the same time we should not go too quickly because there are some rather immense issues involved.

Let me deal with the second part just briefly, the matter of the cellular phones. My colleague from the Okanagan, who is our communications critic, will deal with this in more detail but I could not help thinking of an occurrence when I was listening to the hon. member from Cape Breton.

Brian Smith, the former Attorney General of British Columbia, got caught using the cellular phone to talk to his girlfriend of the day. She happened to be a journalist at the time. He would have liked this bill. I was thinking about the two civil servants in Quebec who were caught criticizing their boss, Robert Bourassa, the premier of Quebec over the Charlottetown accord. They would have liked the bill as well.

I told the hon. member that when I was on the gun control committee, a member of the public called me and said: "I want to give you a tape". I was sent the tape. It had on it the private conversation of a Liberal member, not the hon. member who is in the House, from the committee with his assistant. They were basically bad mouthing me in my position.

I found it shocking, quite frankly. It was not so much that he bad mouthed me. That is part of the game and I probably deserved it that day. What I found shocking was the fact that some unknown member of the public gave me this. I could get right into the private conversation of someone like that.

I did nothing with the tape. I got rid of it and forgot about it. I indirectly warned the member that he should be careful because what he says on a cellular phone can be picked up by others. That is what the hon. member for Cape Breton—The Sydneys was saying, that Canadians have to learn that these are radios. They are not really phones as we know them which are supposed to be private, even though they are wiretapped far too often.

I am particularly concerned about this. I read an article just a few minutes ago by Ms. Cristin Schmitz who is the Ottawa correspondent for *The Lawyers Weekly* and a member of the Canadian Association of Journalists. I am not sure which publication this comes from but I can let members see it. I think it is from *The Hill Times*. She says: "The Canadian Association of Journalists last week voted to oppose Bill C–109". She mentions this is a violation of freedom of expression. Here is the argument: "Bill C–109 will certainly protect the commercial interests of cellular phone companies who pay government millions of dollars every year for licensing fees", but will hurt people's freedom of expression, particularly the news media where there will be a chilling effect.

I quote: "We can anticipate future cases where reporters will receive highly newsworthy legally–intercepted information which they will only be able to print or broadcast if they are prepared to break the law".

• (1445)

The problem I see for the journalistic community, and I am one who has spoken loud and long for freedom of speech and freedom of expression, is that there have been a lot of abuses of intercepted cellular conversations.

In the Quebec case, that was in many ways an abuse. In the civil servants' case that was published, I think it was an abuse. Look at the conversations between Prince Charles and other people, Lady Di and other people and so on. There is a right to privacy. One of the problems that journalists are going to have to deal with is that they have in fact exploited for their own purposes, to sell newspapers and to make money or to broadcast and make money just like the cable companies make money. Have they gone over the line? Does freedom of expression run into people's violation of their rights to privacy? That is what we are going to have to look at in committee.

This is a serious matter and I anticipate some very lively debate. I hope that the Canadian Association of Journalists comes before the committee.

To summarize what the bill does in the second part, it is that the Criminal Code will be amended to enhance communications privacy over radio-based, that is cellular, telephones. In other words, it is going to treat the cellular phone like the regular telephone as a private communication. Second, it will prohibit the interception of radio-based telephone communications which are carried out maliciously or for gain. What is maliciously or for gain? They are pretty debatable words. They seem to be rather strange words to be put in legislation.

Third, it will prohibit the disclosure or other use of information obtained for the interception of communications between any remote unit primarily used for radio-based telephone communications and a base station. I gather that is the cordless phones and so on. It is indeed a problem. It is something that we will have to deal with.

I would like to deal now in some detail with the first part of the bill, which is the more difficult part. It seems less understandable to the average person. The second part is easier. It talks about cellular phones and people are instinctively interested because they know what is at stake.

This other one is important too. Let me try to put it in layman's language. Part one is responding to some court decisions. For example, the police hid a video camera to record illegal gambling in a hotel room. The court ruled that radio surveillance by agents of the state, that is by the police, without a judge's warrant or authorization violates section 8 of the Charter of Rights. The courts said that the police just could not do that. They needed to get a warrant in order to do it.

The bill permits electronic surveillance by the police where police and others are in potentially dangerous situations. It provides judges with the authority to authorize electronic surveillance where there is the consent of one of the participants and in other cases for serious crimes. It gives the power of the judiciary to issue a warrant in other circumstances where it is clearly indicated the request meets the test of the charter.

It changes the Criminal Code in a manner that streamlines and rationalize procedures necessary to admit in court evidence obtained from electronic surveillance. The bill deals with some of these cases.

Here is another case where the court instructed us to act. The police followed a man suspected of multiple murders. For several months, with the aid of an electronic tracking device hidden in his car, the police said that they used the device to gather evidence. They could hear what was going on in the car, and tried to prevent another killing. That is very important because there is a serial killer on the loose. You have a suspect, you put an electronic bug in the car and you might be able in that way to stop another killing.

• (1450)

The courts said yes, you could do that, but you had to get a judge's authorization. If you did not, that is an unreasonable search. While the courts want to allow the police to use the video camera, the electronic bugging and so on, they want to make sure that the police just do not do these things every time or any time they feel like it or with anybody they feel like. They want some control. That is why the police have to get a judge's authorization. They have to show to the judge reasonable and probable grounds why they should be allowed to do that. That in our society is the right balance; to balance someone's right to not be unreasonably searched, not to be spied upon, to have privacy, versus the right of the state and the police to catch crooks, to do what they are supposed to do, to enforce the law.

That is the balance we are looking for and that is why I believe we have to pass these provisions of the bill. I want to hear in committee from the Canadian Bar Association, defence lawyers and people who have day-to-day experience in courts and in the streets with electronic bugging and with wire-tap evidence. I think we need that information before this House can fully agree to this bill. That is why today, or whenever we have the vote on second reading, my party will let the bill go through on division to the committee where we will consider it clause by clause and we will consider these issues.

There is one other thing I want to mention. I do not have to refer to the individual cases, the Duarte case, the Wong case, the Garifoli case and so on. The hon. member for Cape Breton—The Sydneys did that. I want to put the rather unusual position, which was put very well in an article in the *Globe and Mail* on November 17, 1992, by Peter Moon who was writing about this issue.

He said: "Ottawa wrestles with changes to electronic surveillance law, amendments made necessary by recent court rulings". He pointed this out: "While the court has barred police and other agents of the state from using the techniques (the electronic surveillance and so on) there is apparently little to stop private investigators, journalists or anyone else, even criminals, from using them. These techniques include secretly recording a conversation where one person involved in the conversation gives permission, clandestine use of video cameras and installation of tracking devices to follow and locate vehicles".

He quotes a policeman as saying: "This is a curious world. We are really frustrated because people who are not police, ordinary people, can use these devices now whereas the police cannot". It seems to me there is something wrong with the law and that is why we have to address it. Either they all can use it, or better still as should be properly put into law, the devices can be used by certain people under certain standards to make sure that it is not abused. That is what the law attempts to do.

I want to flag a couple of matters in the provisions. The electronic surveillance amendments boil down to the following: one, they allow police and others in potentially dangerous situations to have their conversations secretly monitored. Who are the others? What are the potentially dangerous situations? What does that mean? How dangerous does it have to be? What is the nature of the potential? It raises a lot of questions which I hope we can address in committee. Two, allow judges to grant authority based on reasonable grounds for police and others to intercept communications with the consent of a participant in a conversation in order to gather evidence or information relevant to criminal activity. I should ask the hon. member for Regina West this. He and I are familiar with electronic devices used at leadership conventions. I thought maybe you would have him speak on this but I will not mention that. Perhaps the Tory leadership candidates should think twice before they are asked to put a microphone in their pocket. I will stay away from that. That gets a little naughty and self-incriminating.

• (1455)

An hon. member: You can be a witness.

Mr. Waddell: Yes, you can call me as a witness before the committee.

Again, what are others as defined here? What kind of consent needs to be given and what are the reasonable grounds? Is it like regular wire-tap evidence or is it different?

Three, allow judges and justices of the peace to grant authority for police and others to use video and other surveillance technology such as electronic tracking devices. Again, some similar questions arise.

What is surveillance technology? We might want to hear in the committee about the future of surveillance technology. If we are going to give the police this power, how much power will there be? Does it mean a police car can park outside your house and with new devices hear every conversation inside? We have to balance this.

I am not saying the police do not need some of this and I do not want the House to get me wrong. When I think of the new gang activity in my city of Vancouver and other big cities I think of the drug matters. I want the policeman who is going under cover to be protected, to have a lifeline back to his colleagues, the other policemen. We want to make sure that happens. We want to try and get a balance and we want it defined properly in this bill otherwise some smart lawyer will come to court and get it thrown out again.

The next one is to allow judges the authority to issue warrants and orders to engage in activities or obtain information or co-operation which would otherwise constitute an unreasonable search and seizure. Again, we get to the problem of some of the definitions. What is an unreasonable search and seizure?

Finally, to streamline the process applicable to evidence gathered through electronic surveillance. Streamline is a big word. Does streamline mean that you lose some of the procedures that you must have so you can get a judge, a judicial officer or justice of the peace to properly examine why they want a warrant? You do not want to make it impossible for the police to get a warrant. On the other hand, you do not want to set up a system that is easily abused.

It is not easy. We have had a lot of experience with wire-tapping, some good, some bad. I would like to hear from some of the lawyers and the police who have been involved in that.

We do not intend to delay this. I know there are other members who want to say something on this. I will conclude there. As I say, I hope the bill goes to committee, gets fairly speedy passage but is actually looked at it in some detail.

Mr. Horner: Mr. Speaker, I rise on a point of order. I have studied this bill and I have done an analysis of the bill. I have listened to two speakers, the justice critic from the Official Opposition and the hon. member for Port Moody—Coquitlam, who is the justice critic for the New Democratic Party. They are two people who serve on the justice committee with me for whom I have a great respect. I know they have great respect within their own parties.

Both of them said that they would like to see this bill with some inadequacies moved on division into committee. Therefore I would ask you, Mr. Speaker, to seek unanimous consent of the House to have this bill moved into committee.

Mr. Milliken: Mr. Speaker, I recognize the hon. member's interest in the bill and I think there is a general disposition to pass it. On the other hand I think there are some members of the House who would like to debate the bill. Unfortunately the government leaves very little time for the opposition to have an opportunity to debate government bills. We usually get closure after an hour of two of debate. If there was a little more reasonableness in the amount of time that is allowed for members to do this we probably would have been through it. Unfortunately we have run out of time today. I would suggest we leave it and call the bill again the week after next when we are back and I expect that after an hour or two of debate it will receive second reading and be referred to committee.

• (1500)

I am sure it is not planning to have the committee sit next week.

Mr. MacWilliam: On the same point of order, Mr. Speaker, it is true there is general agreement in allowing the bill to proceed to committee.

I might remind the hon. member on the other side that the bill has essentially a twofold intent, and in that respect responsibilities in the bill are somewhat divided. Some of the areas of responsibility certainly come into the area of the Minister of Communications—

The Acting Speaker (Mr. Paproski): We are going into the realm of debate now. I see there is no unanimous agreement. Therefore, it being three o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

EUTHANASIA

TERMINALLY ILL PATIENTS

The House resumed from February 17, consideration of the motion of Mr. Waddell:

> That, in the opinion of this House, the government should consider the advisability of introducing legislation on the subject of euthanasia and, in particular, of ensuring that those assisting terminally-ill patients who wish to die not be subject to criminal liability.

Mr. Doug Fee (Red Deer): Mr. Speaker, the member for Port Moody—Coquitlam is asking the government in his motion to consider the advisability of introducing euthanasia legislation, exempting from criminal liability those assisting terminally ill patients who wish to die. He is asking the government in the name of compassion to legalize murder. I want to add my name to those who think that our compassion would be better served by expanding palliative care and pain relief rather than endorsing the killing of people.

It seems to me there are two questions that must be asked in responding to this motion. The first is whether there is a need for legislation on euthanasia, and second what affect such legislation might have.

It will be recalled that a 1983 report by the former Law Reform Commission of Canada recommended against decriminalizing voluntary euthanasia and was in favour of continuing to treat it as a culpable homicide. The commission also recommended that the offence of counselling, aiding, or abetting suicide should not be removed from the Criminal Code or revised.

The commission maintained its view in the 1977 report and continued to approve the prosecution of mercy killing as murder but suggested that it should not constitute first degree murder. The term mercy killing has never been defined.

In the time that has elapsed since these reports, there have been a number of developments in relation to terminally-ill persons, chronically ill persons and persons who are unconscious and in what physicians call a persistent vegetative state.

Public consensus is continuing to develop regarding issues related to cessation of treatment but most assuredly no consensus has developed on issues involving euthanasia and aiding suicide. In fact there are strong indications that apart from the special case of the Netherlands, most western industrialized nations are not prepared to legalize practices which currently constitute crimes.

These practices continue to be condemned by the courts and opposed on moral grounds. The medical profession and other health care workers have said they want nothing to do with them. Why we are asking for something for medical practitioners that they do not want astounds me. Doctors I have discussed this with expressed a concern and a local doctor that I talked to told me that well-meaning legislators could very well complicate professional judgment and treatment.

The case of Nancy B. in Quebec is known to all of us, an incurable but not terminally-ill woman who had failed to respond to treatment and who wished to have the hospital disconnect the respirator which was keeping her alive. The court found that under the civil law of Quebec the patient had the right to refuse treatment and that this did not conflict with the provisions of the Criminal Code.

Other similar cases exist around the world. We should not confuse the issues. No one is required to accept medical heroics to maintain life. That principle has been decided. This motion goes beyond that and asks that we open the door to legalizing murder. This is not about turning off respirators. This is not about artificially resuscitating and reviving people. This is not about forcing life into unwilling bodies. This motion asks for permission to kill patients.

• (1505)

What happens if we allow it? Let us look at the American example, the well publicized Dr. Death. I think his name is Kevorkian. He claims to operate on the basis of compassion.

Just today there are media reports that he is being investigated and possibly being charged with murder. Apparently one of his patients changed his mind at the last minute and the well-meaning doctor proceeded with his procedure anyway and killed him. Is this what we want to open the door to? I think not.

I love life and I respect the right of all people to live. I also understand suffering, not my own, but I have sat at the bedside of people who were sick and suffering. I have had a desire to help and felt the frustration in not being able to do anything. We all have compassion. We know what it feels like. Most of us have had that same personal experience with suffering and death. We felt helpless and wanted to help.

Surveys have been done in the United States and Canada that show conclusively that people are sympathetic to the situation that people find themselves in when they are suffering from incurable or terminal illnesses. But when referendums were held in those same areas, which specifically allowed voters to decide whether they wished to decriminalize euthanasia and aiding suicide, the voters were always unwilling to take that step. They may have remained unpersuaded of the need for such action. They may also have been concerned about the effect that it could have.

Nor has a case been made for decriminalization. Court decisions have made it increasingly clear that generally approved medical practices, such as administering palliative care for pain relief, even when it may also have the effect of hastening the death of terminally ill patients, is not murder.

Removing a respirator at the request of a patient is seen by most as an accepted practice. Withdrawing drugs from a patient in a persistent vegetative state at the request of that patient's family has been recognized as an extension of the patient's own right to refuse treatment. In all of these situations, treatment has not been successful and all that remains is to make the patient as comfortable as possible or to grant the request of the patient or his or her family to cease any further attempt to treat.

Is there a need for action? In 1991 when this House was considering a private member's bill to amend the Criminal Code in respect of terminally ill persons, I had the emotionally draining experience to serve on the legislative committee that studied Bill C-204. Among the evidence we studied were medical witnesses who explained the importance of palliative care for the relief of pain. They rejected the argument that Canadians are faced with a choice between a quick good death and a slow painful one.

Palliative care to relieve pain is intended to relieve symptoms, not to sedate patients and hasten death. A physician with great experience in the provision of palliative care in appearing before the legislative committee expressed his concerns in these words and I quote from the testimony: "At the present time, this option of full palliative care is not available throughout Canada. Instead of our present obsession with euthanasia we should invest more resources so that the option of palliative care is freely accessible to all Canadians".

In other words, there is a need, but the need is not to legalize euthanasia or aiding suicide. The need is rather to consider how best to promote a palliative care strategy which includes widespread education, research and bedside services to relieve Canadians' fear of pain and dying.

There is training in medically accepted methods of palliative treatment to relieve pain, but the sad fact is that there are some physicians who are not aware of this training and the methods of fine-tuning symptom control. Until they are made aware, it is premature to consider the advisability of decriminalizing euthanasia. The danger is that where physicians decide to practise euthanasia or aid suicide, the patients may not be aware of the option of appropriate and effective palliative care.

Similarly, there is little incentive for health care systems to promote and support effective palliative care where doctors are known to assist suicide or provide euthanasia service. There is a real danger that euthanasia will be regarded as a cheap substitute for palliative care. Those who would debate that last statement need only look at the recent Dutch experience.

There was another medical witness who appeared before our legislative committee in 1991. They compared the situation in the United Kingdom with the situation in the Netherlands. They used the following terms, and again I quote from the evidence presented to the legislative committee studying Bill C-204: "The United Kingdom has pioneered the development of hospices and palliative medicine and is known world-wide for the compassionate care and symptom relief its citizens are afforded. The Netherlands failed to develop hospice programs and as a result is known for its poor standards of palliative care and pain relief. In desperation it has turned to euthanasia as a cheap solution to suffering".

• (1510)

In conclusion, in Canada there has never been criminal responsibility where a palliative care treatment has had the effect of hastening death as long as that treatment is provided without negligence. There are alternatives society should look at before asking Parliament to legislate on euthanasia. We cannot let compassion overrule our moral values. Let us promote palliative care and pain relief. Let us not glorify murder.

I cannot support this motion and I hope no other members will either.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, I wish to speak in support of the motion of my colleague from Port Moody—Coquitlam. It reads as follows:

> That, in the opinion of this House, the government should consider the advisability of introducing legislation on the subject of euthanasia and, in particular, of ensuring that those assisting terminally-ill patients who wish to die not be subject to criminal liability.

With deference to the previous speaker from the government side, I wish to put on the record alternate points of view to the ones he expressed. He said the courts are against this. The courts are really neutral on the question of euthanasia. Their hands are tied by the legislation of this Parliament. They do not make judgments about the moral acceptability or unacceptability, as my colleague sees it, they simply read the law and interpret it the way it is written.

We are proposing with this legislation that the government put forward legislation that we can examine and debate and then go to the public and allow it to discuss this in a rational way with a model before it.

The speaker says the medical profession is against this. This is not correct. The medical profession approaches death as an enemy to be fought. The interesting dilemma I think is that the medical profession has continuously encroached in this area. They have in hospitals what they call nocodes, individuals who are designated by family members as having reached the situation in which they will not use heroic intervention and if the individual is not capable of sustaining themselves they are allowed to pass away in dignity.

The question of murder is interesting. I guess we are talking today about the Criminal Code providing a definition of culpable homicide in providing somebody an opportunity to die with dignity. What my colleague is getting at is that he would like to see that area of culpable homicide removed from the Criminal Code so that terminally-ill patients, suffering tremendously and wishing to end their lives, can be assisted in a reasonable and practical way to do so. That is an element of compassion. It is not a matter that the courts are against and that the medical profession is against.

If we decide that it is not murder then it is not murder. In fact it is compassion and dignity that is being requested here.

The most outrageous thing I have ever heard is the suggestion that euthanasia is an alternative to providing quality palliative care. This is an outrageous statement and it is absolutely not true.

I read in detail the presentation of the the head of the Elisabeth-Bruyère institution in town. I could be mistaken because it was presented a couple of months ago, but I read the testimony in detail. The individual has a perspective on euthanasia that is hostile and, at the same time, is tremendously concerned about providing palliative care.

The government on the other side of the House has created an interesting situation in health care where it has limited the funds available to provinces. One of the things that has suffered is funding for palliative care. The individual when he appeared before that previous committee on euthanasia made a plea for increased sensitivity for palliative care. I make that plea now, my colleague makes that plea and every person in our party makes that plea. Let those funds go so that people do not have to die in pain and agony, so that they can make a choice of going to a palliative care unit where they get decent treatment and can end their last days in relative comfort and dignity.

• (1515)

That is the point the witness was making. The witness was personally opposed to euthanasia but was strongly speaking for palliative care. We strongly speak for that too. We need more resources in that area, but at the same time the door should not be closed on an individual who says: "I can no longer live in unbearable pain, with a lack of dignity and have no control over myself or my bodily functions. I wish to end my life and I wish to have medical assistance to do so".

It is interesting that we in the House can no longer use the murder argument no matter what our perspective is. This is not murder. These are individuals requesting assistance to terminate their lives. They are incapable of doing it safely and effectively. They ask for medical assistance and there is a willingness to provide that on the part of medical practitioners.

We wish to see more palliative care but we also wish to see options for those people who wish to have them. Of course the courts will carry out the law of this land. If this institution decides that it is not culpable homicide, the courts will read it that way too and people will not have to appear before the courts for assisting a terminally ill patient to die.

There certainly are standards. In the Netherlands it is an outrageous argument to make the statement that it passed this particular legislation because it was against providing palliative care. That is just unmitigated nonsense.

The Government of the Netherlands heard the message from its people. It passed into law a limited provision with plenty of safeguards so that there is no abuse to basically deal with the wishes of terminally ill patients. We have an obligation to do the same thing in this House.

If we let this motion go forward what will happen? We will not have euthanasia. We will move this debate one step further. I commend the hon. member for Fraser Valley West on the government side who put through the first private member's bill on this matter which produced a very positive debate on both sides. They were some of the best arguments I have heard for and against by witnesses who appeared before that committee.

It was an excellent presentation and argument on both sides. There is an obligation on the part of this House representing the people of Canada and those who are terminally ill, those suffering from AIDS or any of the other chronic afflictive illnesses that incapacitate people. We have a responsibility to bring forward and place before the people of Canada a proposal. Let it be limited but let it address the question.

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I am pleased to rise today to speak to the motion of the member for Port Moody—Coquitlam.

This motion raises a number of difficult issues which must be resolved before the question of whether legislation can be considered. One issue is how to determine that the patient is terminally ill. As we know from the media reports, many persons initially diagnosed as terminal have continued to live and contribute to society in a meaningful way for many years.

Objections to the consideration of such legislation bring immediately to mind that the diagnosis of terminal illness could in effect have the consequence of labelling a patient as qualifying for euthanasia.

In the Netherlands the courts have approved guidelines which, if met, provide a defence to criminals charged with euthanasia. There have been reports from that country that elderly people fear pressure from society and families to submit to what has become an increasingly prevalent practice.

In this country we have gone a long way to combat the labelling of the disabled as being somehow different from the rest of society. Are we to reverse this practice by making an exception in the case of the terminally ill? A related question is why terminally ill patients should be singled out in this regard when some chronically ill persons may in fact be experiencing greater pain.

Recent reports of the passage of legislative guidelines on euthanasia by the lower houses of Parliament of the Netherlands indicate that this is not proposed to limit euthanasia to terminally ill persons. In practice it has not been so limited.

For the information of hon. members, the Netherlands legislation, which must still be approved by the upper house, is available to those experiencing unacceptable suffering. This is defined as follows: the patient must experience his or her suffering as perpetual, unbearable and hopeless. Although these criteria will always contain an element of subjectivity, the physician must reasonably be able to conclude that the suffering being experienced is unbearable.

• (1520)

If through some such definition euthanasia is made available to chronically ill persons, the same labelling process will result and may cause this group of citizens to fear pressure from society and family not to remain a burden on scarce resources.

There is danger of even more subtle pressure from those responsible for allocating scarce health care resources who may consider that the availability of euthanasia for certain classes of patients excuses them from trying to make scarce dollars available to the medical services that care for these patients.

In other words, the allocation of health resources would reflect the value put on individual persons by society's approval of euthanasia. In such an atmosphere our democratic respect for the intrinsic worth of every individual would be breached and we would not find it so difficult in future to weigh money against life.

I believe that the medical profession as well as other health care workers would oppose the legalization of euthanasia. Indeed medical associations in the United States and in England have already recommended

against such a step. There are a number of reasons for their opposition.

In the first place it would effect the relationship between physician and patient because of the conflict that would exist between the common expectation that the doctor will advise what is best for the patient and the legal reality that some diagnoses will mark the patient as a possible candidate for euthanasia or assisted suicide.

A conflict of this nature could go a long way toward destroying the relationship of trust which the medical profession is attempting to preserve even in this era of more impersonal health care where fewer people have a family physician who has looked after them for many years.

A similar conflict would exist between patients and other health care workers. Nurses, for example, have in addition to their other responsibilities regarded themselves as advocates for the patients. If euthanasia was legal, they could be faced with situations whereby reporting their observations they would contribute to marking the patient as a possible candidate for euthanasia and to the resulting pressure on the patient to agree to euthanasia in order not to be a burden on the medical facility or on the family. This could lead to an undesirable conflict between the nurse's duty to the patient and his or her responsibility to carry out the instruction of the physician.

I am concerned that the decriminalization of euthanasia would result in undue pressure on patients to resort to this solution and that it would affect the relationship between the patient and health care professionals. I cannot support the motion from the hon. member for Port Moody—Coquitlam.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I thank the hon. member for Port Moody—Coquitlam for presenting this motion because it does allow us to at least debate the issue in this House. The intent of the motion is:

> That the government should consider the advisability of introducing legislation on the subject of euthanasia and, in particular, of ensuring that those willing to assist terminally ill patients who wish to die not be subject to criminal liability.

I want to share with the House personal experiences with two different cases which could almost give both sides of this issue. One case is about a young man in his thirties who was walking home from a meeting with his friends. He was hit by a car, went flying into the air and crashed to the pavement. His head injuries were so severe that he was in a coma. He was taken to Queen Elizabeth Hospital in my riding. The young man was married and had two children, ages four and six. His wife and children would visit him every day, sometimes twice a day, in hospital. My wife and I also visited him because we knew him very well. As a matter of fact, he had worked in my first campaign.

• (1525)

Months went by and the man was still in a coma. One year went by and the man was still in a coma. Two years went by, the man was still in a coma. Four years and the man was fed intravenously. He looked quite healthy lying in his bed. It was quite heartbreaking to see the children bring cards they would make for their dad, saying: dad, please wake up, please come back to us.

After four years, this man finally passed away. How tough it was on this mother and the children to go through this for four years, disrupting the whole family. In that case you could argue that maybe it was better with modern medical advice to have disconnected the tubes after one year in a coma, or maybe after two years in a coma, because the doctors were quite sure that he would not come out of this coma. So it may have been a more humane thing to allow this gentleman to pass on in the first year and save a lot of grief and hardship for the family.

But then I have another case, a gentleman who was beaten up in the subway in Toronto about 20 years ago. He had brain injuries back then. But then about 10 years ago he had a heart attack and a stroke. He was rushed to Western Hospital in Toronto on Bathurst Street.

I found out about it through his family. So my wife and I went and paid him a visit and it reminded me of the first incident. Here was this gentleman, in a coma, hooked up with all sorts of tubes and being fed intravenously, and evidently just not hearing who was visiting him, who was talking to him. But we started talking to this gentleman and my wife started saying to him: "Takhur, Bhonjai is here". He called my wife Bhonjai, which in his language meant something like sister-in-law. My wife kept saying: "Takhur, Bhonjai is here, Bhonjai is here". And as he was lying on his side a tear rolled from his eyes.

We were there for about an hour and it was time to leave and the doctor happened to be by the desk as we were walking out and we asked him what his chances were of coming out of this coma. The doctor said: "No, there is no way that he will come out of this". But my wife and I said: "But his eye twitched when we spoke to him; surely he must be hearing what we were saying". The doctor said that no, it was just reflexes and he would not come out of it. We took the doctor's advice. We went home.

I will never forget what followed. It was in 1984. As we walked into the campaign headquarters to begin our 1984 campaign I thought I saw a ghost in front of me. Here was Takhur standing at the entrance, unshaven, skin and bones. This was three months after I had seen him in hospital, and I thought he was gone already. There he was standing, and the driving force was that he wanted to help me win the next campaign. He had such a will to live that he wanted to help me to win the next campaign. The medical doctor had said straight to my wife and I: "No, he will not come out of this".

• (1530)

Let us take the case where maybe this gentleman would have signed something that said: "Should this happen to me I want no assistance and I want a doctor to help me end my life without pain". That man would have been gone in 1984. He is still living today and quite active. He is not in the best of health but he is looking after himself. He cooks for himself and looks after all his needs.

An hon. member: Is he still supporting you?

Mr. Flis: Yes, he is still supporting me.

If we pass this legislation that could have been someone whose life would have been snuffed out in 1984, and yet he is living today. As a result of those two experiences I have to speak out strongly against any legislation that would assist taking someone's life.

I may be wrong or I may be right. However, after going through that kind of personal experience I am sorry but I must speak very strongly against this motion and any such legislation that would promote the enhancement of taking someone's life.

I have a third example. My own mother-in-law in Joliette, Quebec had a very severe stroke at 79 years of age and she was a vegetable. She could not speak, she could not move her limbs, et cetera. It would have been very easy had she said, as she did in her cultural ways: "Oh, it is time for me to go" before she had her stroke.

Well that woman, my mother-in-law, lived to be 89 years old. Again professional advice and her own will could have said: "I want to end it at age 79". She had a will to live. I remember when she was recovering and her hand was not working. She did not take any physiotherapy. She did her own physiotherapy. She kept slapping her hand. She would say: "You crazy hand, how come you are not working?" She got herself going to the point where she was walking. She saw more grandchildren grow up and she went on peacefully, but at 89 years of age not at 79 years of age. I am sure other members in this House have other examples of cases like this.

I thank the hon. member for introducing this motion because it does allow us to debate this calmly and intelligently in this House. I am getting a lot of direction from my constituents and I am sure other members are. I am sure this debate is going to come back to this House again. I hope it will because we do have to debate it seriously.

Mr. Bob Horner (Mississauga West): Mr. Speaker, I am pleased to rise today to speak on the motion of the hon. member for Port Moody—Coquitlam. I understand why the member has moved this motion. I understand his concerns about dying with dignity. I understand his concerns about alleviating suffering. I understand his concerns about quality of life, but I have a concern that maybe things are being rushed.

I am not clear what the member is trying to achieve with this motion. The way I understand it the hon. member for Port Moody—Coquitlam is not asking the government to legislate on euthanasia but is asking the government to consider the advisability of introducing legislation on the subject of euthanasia. In a sense we may say that the member is not asking for too much. I am sure this debate will return to the House of Commons.

I would think that monitoring the criminal law is part of the responsibility of the Minister of Justice, and surely monitoring the criminal law means looking at areas in which the law needs to be changed. It means considering the advisability of introducing legislation in those areas which are in need of change.

• (1535)

In a sense the motion we are debating today is part of the ongoing duties of the Minister of Justice. I am confident that the Minister of Justice is fulfilling his responsibility.

I have chaired the justice committee for the past five years and I am confident from my experience with the Minister of Justice that he is monitoring the situation with regard to euthanasia, as he does with situations in other areas of the criminal law. I am confident that if he thinks it is necessary to consider legislating on euthanasia he will advise the government to do so.

So far I see nothing wrong with the motion of the member for Port Moody—Coquitlam but I wonder if the motion was meant to ask the government to act too hastily or too quickly. Are we rushing into things?

I have consulted with my constituents. It seems strange to me that we are debating this motion in the House of Commons on the afternoon when the news story this morning was that in Michigan there is a case involving an assisted suicide. The allegation is that the chap changed his mind and now there may be murder charges. I do not want to get concerned about that. It happened in Michigan. I am sure it will be dealt with there. However, I would be very worried to see the government act quickly in such an important area.

We are talking here of a life and death issue. It is worth taking plenty of time to know what we are doing. Before we do anything I would ask the government to look carefully at questions which are of particular concern to me and my constituents.

In his motion the member for Port Moody—Coquitlam is asking the government to consider the advisability of introducing euthanasia legislation to ensure that those assisting terminally-ill patients who wish to die not be subject to criminal liability. This raises the issue of how to determine that a patient is terminally ill.

We all know that sometimes a person who has been diagnosed as terminally ill continues to live against all odds for many years after such a diagnosis has been made, and we have heard of cases from other speakers. A person who would have committed an assisted suicide after hearing the news and becoming understandably depressed would in such a case have been deprived of meaningful years during which this person could have enjoyed his life to some extent and contributed to society.

If the rationale to assist the suicide of a terminally-ill patient is because that person is in pain, then what about the pain suffered by those who are chronically ill? In some cases, they may suffer as much pain as is suffered by the terminally ill. Should we allow them to receive assistance in committing suicide? I think not.

Should we make pain the criteria for assisted suicide? In that case, how do we define pain? What threshold of pain would qualify for assisted suicide? Is the threshold the same for everyone or is it adapted to the individual? Who would decide that a patient had reached the threshold?

There is another important issue that I am concerned about. If euthanasia is available to certain individuals will there be pressure on these individuals to commit suicide in order to be relieved from pain and to relieve their relatives from the burden they impose upon them, even if this burden consists only of making them a witness to their suffering? What about the danger of even more subtle pressure from those responsible for allocating scarce health resources? Would not the availability of euthanasia be an excuse for allocating these resources away from those who request euthanasia?

On such a life and death issue should we not take plenty of time to consult with those who deal with this issue as part of their daily activities? I am speaking of the medical profession. Are they not the ones to whom the patient will turn to get assistance in committing suicide? What if the medical profession and other health care workers are opposed to the legalization of euthanasia?

• (1540)

When the member for Port Moody—Coquitlam mentions in his motion "assistance to terminally-ill patients who wish to die" he raises the issue of consent.

What about children who are terminally ill and wish to die? When would they be considered old enough to consent to their own death? If they are too young who would consent for them? Should the consent be a written one? You would think it should be in a matter of this importance. What about the patient who is too weak to write or who is unable to write for reasons of physical disability? When should consent be given? If a patient has given advance instructions in what is called a living will should these instructions have legal effect after the patient has become unconscious? Or should we appoint a third party to give consent on behalf of the patient who is unconscious?

When the member for Port Moody—Coquitlam mentioned those assisting terminally ill patients who did he have in mind? Is it any individual? Is it a friend or relative of the patient? Or is it a member of the medical profession?

Whether protection against criminal liability for helping terminally ill patients to die should be limited to physicians or to other health care professionals is a fundamental issue that would have to be looked at before the government moves on euthanasia.

I believe there are a number of important and serious questions that will have to be answered before the government is in a position to decide on the advisability of introducing legislation on euthanasia.

I have a definite fear that we are moving too fast on this issue. We have to consult and we have to look at the issue very well before we come to any decisions. I believe this is the responsibility of the Minister of Justice and we should not rush into this.

I would caution on the desire to react emotionally to provide a hasty response in situations that we all agree are very sad. But that should not lead us to act without the wisdom appropriate to the issue.

For these reasons I believe that at this time we should not be moving on this motion and I will vote against the motion. I think it will return to the House. I think some day we will debate it on a government bill. However, at this time I will be working and voting against the bill.

Hon. John Bosley (Don Valley West): Mr. Speaker, I do not participate in a lot of debates any more unless something comes along that I regard personally as extraordinarily important. I want to speak to this today.

I want to congratulate the mover of the motion and the committee on motions that chose to make this a votable motion. I think it is an extraordinarily important item.

My friend the chairman of the justice committee has just spoken and indicated he would be voting against this motion. Let me be clear. I will be voting for this motion, perhaps not for the reasons that my long-time colleague, the hon. member for Parkdale—High Park, has given in the stirring and moving stories of experiences he has had. I suppose we all can.

My wife if she were here would tell the story of her father and his palliative care experiences and how that made the end of his life a much more extraordinarily happy experience than it might otherwise have been. She probably would not be for this for many other reasons that others have spoken on.

I will never forget my mother's pleading to kill her when she was dying of cancer. I do not for a minute think I could ever have done it. However, when I was reading through the clippings on all of this I found the most stirring quote in an article that talked about the pros and cons of the matter before us in terms of primarily the notion of whether a doctor should be able to assist somebody who chooses to die.

• (1545)

One of the questions that was raised precisely in *Euthanasia: The Doctors' Dilemma* and struck such a chord with me was what if the doctor prescribes higher doses of morphine to kill pain even though a hastened death through respiratory failure is known to be a side effect.

I do not know if the doctor who prescribed the morphine for my mother prescribed such a dosage that it led to her dying sooner. If he did, bless him, because there was nothing being achieved in what she was going through, nothing whatsoever.

For a mother to turn to her son and ask him to put pillows on her face so she would die is something that no son or mother should go through. I listened to the testimony of Sue Rodriguez. Members may say that some day the justice minister will act or that Parliament should wait until the justice minister acts.

I do not think that is ever going to be reasonable to expect. If there was a thing that Parliament should do on its own as members, it is this kind of thing that it must discuss. We must find a way among ourselves to take this completely out of the partisan arena. I welcome the motion for that reason if for no other.

If we are going to deal with the issues of quality of life they are going to be the hardest issues we are ever going to deal with. They are the ones our people need us to deal with it seems to me. We are well past the issues of quantity of life. We are into the issues of what do you do for a population where we are going to see thousands more cases like my mother and Sue Rodriguez.

We know how to keep people living longer. We know how to make the quantity of life issues produce for us longer, healthier and hopefully happier lives. That means we have to begin to face quality of life questions. This is one of them.

I do not pretend for a minute that I want to be a doctor who would ever want to do what Jack Kevorkian is doing. I could not do it. I know I could not do it. In Dr. Kevorkian's case at least, with the greatest respect for him, if there is a case this morning where he has broken his word and gone back on it then that is awful.

I understood what he was trying to do was to say to people who needed the preparation of a solution that could be dripped through an intravenous tube by flipping a switch when you chose to do so. It is I presume assisting in suicide. It would be in the same way as if my colleague sitting beside me were incapable of getting a glass of water to take the pills he had to end his own life, which is legal. If I went and got that glass of water and put it there for him, would that be the aiding and abetting of a suicide? I suspect it would be.

Should that be a criminal act? Of course not. How can it possibly be imagined that it is reasonable to say to someone who dedicates his life to care giving that when the best care is to aid someone to get out of that misery that it cannot be done? Someone is in a situation which they want out of. You know they want out of it and there is nothing left in their hope. They have no hope left whatsoever and they choose to die. It is a horrible thing. Even if that glass of water created some peace on the way out, I do not know whether I could give it in that circumstance. I know whoever did would be doing a service, as terrible as that is to think.

I will never forget the day when I had to think through all these questions, ever. I suppose we all go through that in our families. We are going to go through it more and more.

Ms. Rodriguez' quotes are all here. We could read them into the record. There is a moving op-ed page she did. One of the other moving pieces was an article in *The Ottawa Citizen* quoting a book I had forgotten. It was called *Man's Search for Meaning*.

Victor Frankl wrote this book having survived the horrors of the Holocaust. He came out of it and talked about the experiences of all those he faced those things with. He said that if there is a purpose in life at all there must be a purpose in suffering and dying. No man can tell the other what this purpose is. Each must find out for himself and must accept the responsibility that his answer prescribes.

• (1550)

It goes on, in effect, to say that one has to choose everything now. We have to choose the way we will live and ultimately we are going to be choosing the way we die. We recognized that a long time ago when we said that if someone took their life they did not commit a criminal act.

I think the hon. member's motion is about the notion that if somebody assists someone to do something that he or she chooses to do then should that person be criminally liable, as horrible as in some ways people find that? I have had that experience and entirely accept the reaction the member for Parkdale—High Park had in terms of when there is uncertainty about the consequences. I do not debate one moment the notion of whether somebody should end a coma. I do not think that is the issue here and I do not think it is the issue the hon. member is referring to in his motion.

The motion is about when somebody has clearly defined for themselves the course of action. I accept all the questions that the chairman of the justice committee asked and it is entirely appropriate that he should ask them. However, I wish that the justice committee, when confronted with Ms. Rodriguez, had taken on the case and asked the questions there so that it could have defined something that would have allowed us to move as a Parliament, rather than simply pushing it back out and leaving us with only this way of getting the matter to the floor of the House. That is a shame.

I congratulate the member. As emotional as this issue will be for all of us it is the kind of issue we must deal with. I hope we will get on with dealing with those issues because only we can. It must not be left entirely to governments and oppositions. It will not get dealt with that way.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is a sombre moment to stand and congratulate my good friend, the hon. member for Port Moody—Coquitlam, on having the conviction and the courage to bring an extremely important motion before this House. That motion says that:

> The government should consider the advisability of introducing legislation on the subject of euthanasia and, in particular, of ensuring that those assisting terminally-ill patients who wish to die not be subject to criminal liability.

This issue has been around a long time and it will continue to be. It is the responsibility of this government and of this Chamber, if we have the courage of our convictions, to approach this issue and debate this issue in its fullest context.

Euthanasia is not about murder. Euthanasia is about compassion, about an understanding of the needs of those who are terminally ill to face death with dignity. It is about an understanding of the trials in making that transference from life to eternity and an understanding that in many cases those individuals who are facing the end of their lives are doing so in great pain and great suffering.

Euthanasia is an act of humanitarianism. We have to realize that there are times when individuals with terminal cancer or other serious chronic diseases have prepared themselves for death. They have made their minds up that life is no longer worth living. There is the situation out in Victoria concerning Sue Rodriguez, who is rapidly losing her ability to make that decision for herself. It is not an easy decision to make by any means and those who have made that decision have great courage in reaching that point in their passage.

I am sure all of us have faced, either directly or indirectly through our families, similar occurrences. I faced that situation with my mom and dad. It was a difficult situation to see my mom, for many months knowing she was dying with Alzheimer's disease and knowing that as she was slipping into that terrible disease that she was losing her ability to make those decisions for herself. She was losing her ability to control herself and to control situations around her.

• (1555)

I remember her telling me before things got too bad that she hoped she would be able to face that time when she knew it was time to go. She knew that she had prepared for that. She hoped that the situation would not be such that she would be unable to face that choice and unable to control her future. But as we all know, in Alzheimer's disease, with the progression of that disease, it takes away the ability of the person to truly understand and to control the situations around them. Before she got too bad she said that she was ready to go and she only hoped that it would not be too long.

It was a long, long time. It was a very painful time for us to have to watch a person whom we loved very dearly slip away. What made it worse, and I guess it is why it takes me so personally, is that at the same time as my mom was facing that situation, my father was facing the spread of prostate cancer that had gone to the bone and had metastasized through the body. He was in great pain himself and he had the difficulty of being the caregiver for my mom. How much more difficult it was for him, facing his trial, knowing he was responsible for his loved one and seeing her slip away before him.

The most painful thing that I saw as the son after my mom had passed away and my dad was becoming very ill, was to see him, the proud individual that he was, lose the dignity that he had, and how it hurt him to lose that dignity and to understand that he had lost complete control over his own facilities, over his own bodily functions, and how terribly frustrated and embarrassed he was to have to come to that end. As he lay on his bed in his last days I could do nothing as a son except try to comfort him in his last very painful hours.

He did not ask me, as my hon. colleague from across had indicated the difficult choice that he had made. I did not face that choice of having to have my parents say: "I want to die and I want you to help me". I do not know what I would have done had that happened. All I can say is in having experienced that situation directly, that there are situations in our lives when individuals face that choice and want to make that choice, they have the courage of making that choice, because they want to have the chance of dying with dignity, of controlling their lives to the end.

I think it is reprehensible that we as a community, as a society, would deny that choice to our loved ones. So I am very pleased that my friend, the member for Port Moody—Coquitlam, has raised this issue. It touches my heart very deeply, as you can judge from my voice, but it is an issue that we have to face. It is an issue that will not go away. I only hope that we as a parliamentary Chamber, despite our political differences, can face this difficult issue with the courage and the dignity that it deserves.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, I see that time is nearly up in such an important debate, and you will know that—

[*English*]

The Acting Speaker (Mr. Paproski): It being four o'clock, the time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

It being four o'clock, this House stands adjourned until Monday, March 8, 1993, at 11 a.m., pursuant to Standing Orders 28(2) and 24(1).

The House adjourned at 4 p.m.

HOUSE OF COMMONS

Monday, March 8, 1993

The House met at 11 a.m.

Prayers

[*English*]

PRIVILEGE

CO-CHAIR OF PROGRESSIVE CONSERVATIVE CONVENTION

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise on a question of privilege of which I have given you notice.

Over the weekend, the Progressive Conservative Party of Canada announced that it would hold a leadership convention in June and that the co-chair of the convention would be the hon. member for Saint-Hyacinthe—Bagot.

The problem I see for the House of Commons is that the hon. member is our Deputy Speaker and the chair of Committee of the Whole House. I suggest, given contemporary usage and given the duties the Deputy Speaker now regularly performs, the office of Deputy Speaker is not properly compatible with that of co-chair of a national political party's leadership convention. In accepting those latter duties, the hon. member has shown contempt for her responsibilities as an officer of the House.

The parliamentary authorities—

• (1110)

Mr. Speaker: Perhaps I could assist the hon. member. First of all I want to thank him for giving notice of this matter. I wonder if it might not be the better course to hear this matter fully later on today at three o'clock. It might also be advisable, now that this is public, if the hon. Deputy Speaker be advised that the matter has been raised, as I am sure would be the appropriate thing to do.

I am seized with the matter now and of course I am going to hear it carefully. However, I would prefer to hear the hon. member for Cape Breton—East Richmond more fully at three o'clock this afternoon.

Mr. Dingwall: Mr. Speaker, I would prefer to put my intervention on the record now. We did give notice to the government House leader and I presume he has spoken with the opposition Whip, who is aware of the matter.

My remarks are relatively brief with regard to the subject matter and if the Chair needs time subsequent to my remarks to hear others, I would be more than willing to accommodate that. But I would prefer if the Chair would allow me to proceed with my intervention.

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, I am disappointed this matter has even been brought to the floor of the House but since it has been and since the hon. opposition House leader has insisted on putting some points on the record in spite of your suggestion, Sir, I think a brief response is in order.

This would be to the effect that you, Sir, of course are the arbiter in this matter—

Mr. Speaker: Again in the interests of trying to be helpful, I suggest it might be appropriate to hear this more fully at three o'clock.

I am conscious of another matter. This is private members' hour and I wonder what courtesies the House wants to extend to the member who has a bill, as this could take some time. Perhaps the House could think about that as well. I am in the hands of the House, but my own feeling is that this ought to be pursued this afternoon rather than now.

Mr. Edwards: Of course I defer to your guidance, Sir. I respect private members' hour and so I will only take a few seconds.

Since the hon. opposition House leader had an opportunity to put his points on the record, I simply want to respond and ask him to reflect on this point before the ensuing discussion later on. The Deputy Speaker, by accepting such a position with a leadership convention, demonstrates her neutrality in that particular race and it

is totally congruent with the neutrality which she traditionally displays in this House.

Mr. Dingwall: Mr. Speaker, this is a House matter and I would like to pursue it now unless the Chair so directs that I cannot pursue it at this time. I would prefer to make my intervention which I indicated earlier is very short, succinct and to the point.

Mr. Speaker: There has been a bit of a discussion about the matter. I think the hon. member has the right to proceed if he wishes.

Mr. Dingwall: Mr. Speaker, the parliamentary authorities in Canada are vague on this particular point. In Britain however there is no doubt. Once a member accepts a position in the chair of the House, any position, he or she abandons all partisanship, even refraining from voting in any divisions.

Canadian experience is less clear. With regard to the Speaker, Beauchesne's sixth edition, citation 168, indicates how a Speaker must remove himself or herself from partisan activity. The most noteworthy quote is:

> Confidence in the impartiality of the Speaker is an indispensable condition of the successful working of procedure, and many conventions exist which have as their object, not only to ensure the impartiality of the Speaker but also, to ensure that there is a general recognition of the Speaker's impartiality.

• (1115)

Beauchesne goes on to indicate that there has been less stringent inhibitions put on junior chair officers with regard to partisanship.

Citation 184 reads:

> Deputy Speakers have not taken a consistent position with respect to attendance at their political party's functions. During divisions they have voted but have not attempted to participate otherwise in the debates of the House.

Mr. Speaker, I suggest to you that contemporary usage does now impose a stricter discipline upon chair officers, especially the Deputy Speaker and most especially the present Deputy Speaker. The Deputy Speaker is no longer merely an occasional substitute for the Speaker. The Deputy Speaker occupies the chair more often than the Speaker during most debates and it has become the regular practice of the present Speaker to permit the Deputy Speaker to take the chair for one Question Period at least one day every week.

In addition, the present Deputy Speaker is a member of the Board of Internal Economy, not as a representative of a party, but as a representative of the House as a whole.

I want to make it perfectly clear I am not questioning the performance of the Deputy Speaker, not in debate, not during Question Period. She has retained her membership in her political party but in accordance with that tradition has not made a great deal of this and I think all members recognize that.

However, the Deputy Speaker intends to make a very big show of her partisanship. She intends to be the co–chair of her party's leadership convention using, whether intentionally or not, the prestige and public familiarity that she derives from her office as Deputy Speaker of the House of Commons to attempt to enhance the prestige of the partisan proceedings over which she intends to preside.

How can an officer of the House appear to be impartial or claim to be impartial when she undertakes so active a role in the partisan activities of her own political party? How can members of the House who belong to other parties put their trust in the impartiality of the Chair under such circumstances, especially in the heat of the most partisan part of the parliamentary day, Question Period?

There is no satisfactory answer. If the Deputy Speaker were to remove herself from this obvious conflict of interest, I think the matter would die. However, if the Deputy Speaker is unwilling to do so, I wish to inform you that I am prepared to move the appropriate motion.

Mr. Edwards: Mr. Speaker, as I said a little earlier, I am disappointed that this matter has even been raised.

As my hon. friend for Cape Breton—East Richmond has conceded, the performance of the Deputy Speaker is not at issue here. I would submit to you, Sir, that is the only issue which could be before us. Her performance is not in question nor has it even been suggested by my hon. friend opposite that her performance would be degraded by this. I think what he is getting at is the

appearance of the matter and perhaps that is where the debate ought to focus.

I would argue that in accepting the co-chairmanship of a leadership convention of a national political party, far from displaying partisanship or partisan activity, the hon. member for Saint-Hyacinthe—Bagot would be called upon to preside in a parliamentary role over the proceedings of the national convention. Her rich experience of presiding in this distinguished chair could in fact reflect positively on that activity.

There are two co-chairs in this particular proceeding. One is a retired former premier and distinguished Canadian statesman of my own province. No one I think would even accuse that individual of using the co-chairmanship of this leadership convention for partisan aims.

• (1120)

I submit that what the hon. Deputy Speaker would be contributing to in this activity would be to the parliamentary proceedings of a party event. I would submit that she will, as all of us would expect, conduct herself in such a way that her behaviour and comportment would only enhance the dignity and impartiality of the activities that she is called upon to perform in her duties as Deputy Speaker.

My hon. friend has mentioned that the Deputy Speaker is a member of the Board of Internal Economy. I cannot see the relevance of that point to the argument before us.

In conclusion, the citations which my hon. friend used go a long way toward supporting my side of the argument rather than his. I believe the House ought to find, and you, Sir, of course will be the judge of that, that this particular hon. member is proposed to accept an honour from her party that recognizes her impartiality and her fairness, in a party context in this instance, as she has demonstrated among all the parties here in the House.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I think it is really unfortunate that we need to have this kind of discussion in this House today. To use the words of the hon. member who spoke before me, no one questions the Deputy Speaker's performance in this House. I think that is a fair assessment. I do not think any of us are questioning her impartiality or abilities in the House.

To use the analogy that the other co-chair of the Conservative convention is going to be a retired premier and no one is suggesting that he would be using the convention for partisan reasons is quite different from having a sitting Deputy Speaker of the House of Commons, who is not retired, as the co-chair. Surely from among the ranks of the Conservative Party there could be found a woman to be the co-chair whose ability and prestige matches that of the Deputy Speaker and who would not raise the questions that are being raised here today.

Mr. Speaker, I recall the great lengths that you went to during the pre-election period and election campaign during the 1988 election to ensure that in your role as Speaker you maintained the impartiality, the non-partisan role required, probably far beyond anybody's expectations. I think people respected you for that imagery of impartiality. Everyone knew that you came from a political party but everybody respected the fact that you campaigned in the impartial way you did.

We are not only talking about the rules of impartiality but about the appearance of impartiality. The role of the Deputy Speaker in the House after fulfilling this role for the Conservative Party would be made very difficult. When she returns then the question of impartiality becomes a much greater question after people have witnessed her leading a convention for the Conservative Party.

While we have a great deal of respect for the Deputy Speaker, I would hope that she would do something to eliminate the possibility that she would be put in a position that would create suspicion about her impartiality.

Mr. Dingwall: Mr. Speaker, I have five brief points. My first point is that I said very clearly that I was not questioning the performance of the Deputy Speaker in debate or during Question Period, not at all. The key issue, which the chief government Whip has failed to recognize, is that we are talking about the office of the Speaker, the office of the Deputy Speaker of this Parliament, which is essential to the impartiality of the proceedings which follow.

• (1125)

Second, with regard to the Deputy Speaker sitting on the Board of Internal Economy, I raised that issue so that members opposite would understand that appointment, that position is there to represent the entire House and not one political party.

I sit on the Board of Internal Economy representing my party, as does the House leader for the New Democratic Party and as do members opposite. This particular appointee is not a representative of any particular political party but of the entire House.

Third, I want to remind the chief government Whip that we are not in the United States where the common practice has been in various conventions, both Republican and Democrat, to have members who have served as speaker or in the chair given some capacity to assume responsibilities at convention time.

Fourth, the chief government Whip is trying to inform the House and thereby the Chair that the neutrality that this present Deputy Speaker exercises in carrying out her responsibilities as Deputy Speaker on the floor of the House of Commons is the same and would be the same, and thereby she would be performing the same neutrality at a Tory convention.

Twenty-five cents and a cup of coffee, come on, give us a break. That is absolutely ludicrous.

My final point is that the impartiality of the Chair is the cornerstone of our deliberations here in the House of Commons. We are elected as commoners and come here to present our views, whatever they may be from whatever political ideology.

The impartiality of the Chair is first and foremost. I suggest to the chief government Whip that the perception of the impartiality of the Chair would be severely ruptured as a result of the Deputy Speaker assuming the responsibilities as announced by the president of the Conservative Party. For the chief government Whip to indicate otherwise or that this is somehow a mean trick against the Deputy Speaker means he is being less than candid with himself, with members of this House and with the Speaker who now occupies this Chair.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have never heard of such nonsense as 25 cents and a cup of coffee. The interest of this House has nothing to do with a Progressive Conservative convention that will not be held on Parliament Hill and will not be a matter of Parliament. Members of the opposition party have nothing to do with this convention. They are not going to be invited but will probably be there because they like a good show.

They do not have to come. They are not directed to be there. What members of this Parliament do in their private capacity as a member of a political party at a political party convention has nothing to do with this House whatsoever. This is not a matter of this House.

If they want to attack the Deputy Speaker in this House and say that she is not an impartial member then they know how to make that motion, they can move that the Deputy Speaker be dismissed if they want to. They can force a vote if they want to. But this Deputy Speaker is a member of Parliament and this member of Parliament is entitled when you are in the chair, Sir, to vote in this House. She is entitled to vote in a partisan matter in this House. There is no reason why, being given that freedom, she does not have the freedom to be at a political meeting somewhere else off this Hill.

I see nothing but specious nonsense in this suggestion by the House leader of the Official Opposition. This is absolute craziness. I suggest that this point of privilege be dismissed outright as an affront to the House and as a waste of time.

Mr. Edwards: Mr. Speaker, this motion before us is not only an affront to this House but to private members' hour, which is almost half gone now. I will not belabour that but will simply respond to his points.

• (1130)

The hon. Deputy Speaker is of course a member of a political party. That is how virtually all of us arrive in this place. She ran as a Progressive Conservative in two elections and if she offers again she will in all likelihood run as a Progressive Conservative once more, just as my hon. friend runs as a Liberal.

I would submit that if there were anything to be criticized in the potential conduct of a Deputy Speaker it would be if that individual were managing or prominently involved in the leadership campaign of a candidate for the leadership of our party, or any other party as the case may be.

The point is that the Deputy Speaker has proposed to accept a position presiding as a parliamentary officer over a political party convention. There is no getting away from the fact that we are all involved with political parties. Being involved in a Conservative convention is somehow shameful for my friends opposite, but we do not pretend that kind of outrage and virtue. We do not suggest that being involved in a Liberal convention is

offensive to this House, because there are Liberals. That is a fact of life, lamentable as it may be.

As a House officer I submit that the Deputy Speaker in accepting to preside over a leadership convention, a joyful event which will require some poise and some equilibrium, is simply being recognized for the virtues which she has displayed time and time again and the impartiality which she has displayed in presiding over this Chamber.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to make one brief point on the matter that we are discussing.

I heard the hon. member for Mississauga South say that the Deputy Speaker was entitled to vote in this House and therefore it would not be inappropriate for her to preside as co–chair of the Conservative convention. If I am not mistaken there are circumstances, although they are limited, under which the Speaker of this House can vote. Does that mean that it would be appropriate for the Speaker of the House to preside over a party convention?

The point is that we are dealing with appearances. We are not talking about the personal integrity or qualities of the Deputy Speaker. We are dealing with appearances and how these appearances apply when we are talking about somebody who holds the position of Deputy Speaker of the House of Commons. Therefore, I am very happy to support my House leader in arguing that it would not be appropriate for someone holding the position of Deputy Speaker to preside over a party convention. Mr. Speaker, I hope you will take my comments into account in your ruling on this important matter.

Mr. Speaker: I have listened with great care to what has been said. I am going to reserve on this matter. It may well be that the House ought to hear from the Deputy Speaker. If that is appropriate then arrangements can be made to that effect.

I do want to emphasize, because this is a matter of great interest to all members, that it has been clearly expressed in the House that the point being raised by the hon. member for Cape Breton—East Richmond is not a personal attack on the Deputy Speaker. As far as I can see there is no suggestion that there is any criticism of any kind at all of the manner in which she is fulfilling her duties in this House. I accept that.

I am going to have to consider the matter and I will return to the House as soon as I can.

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

PRIVATE MEMBERS' BUSINESS

• (1135)

[*English*]

PUBLIC SECTOR BONUSES ACT

MEASURE TO ENACT

Mr. Ronald J. Duhamel (St. Boniface) moved that Bill C–339, an act to eliminate the payments of bonuses in the public sector of Canada, be read the second time and referred to a legislative committee in the Human Resources envelope.

He said: Mr. Speaker, this particular private member's bill is really quite simple in intent. It wants the government to look at the current approach to the payment of bonuses to a very small group of individuals and to see whether or not it is in fact fair.

I contend it is not and I shall advance arguments to that effect. I contend that we need to look at it with the intent of eliminating it unless we can come forward with an approach that is fair to every single man and woman who works for the Public Service.

I recognize subsequent to hearing concerns expressed by Canadians, people such as myself, that the government has decided to freeze the payment of bonuses to public servants for now and into the future. I hope that is in fact going to happen. I point out if that is in fact so and they can live without that payment why can this policy not be continued in the future?

It was frozen not only because of the concerns that were voiced, but as well because there was the recognition that the Public Service has been limited to zero, zero and three per cent. It has also been frozen because of the economic situation in which we find ourselves today.

We are not without knowing that we are talking about 1.6 million unemployed Canadians. We are not without knowing there are roughly five million Canadians living

at or below the poverty level, most of whom are women and over one million of whom are children. We are not without knowing that 2.2 million Canadians are receiving social assistance. We are not without knowing that over two million Canadians are fed at food banks, 40 per cent of whom are young people and children. The situation is very serious indeed.

I have not even spoken about that huge deficit which is over $30 billion and the debt which has climbed from $170 billion in 1984 to over $450 billion today. Clearly this area can be looked at in terms of reducing costs. Clearly this area needs to be looked at in terms of fairness and that is the first priority.

Let us look at the arguments being advanced on why there is a need for bonuses. Some people suggest there is a relationship between compensation and productivity. To some degree that is no doubt true under certain circumstances. I have no doubt about that. However, let us look at it in this particular situation. Is it true that perhaps 1 per cent of people who receive a bonus affect productivity in a significant kind of way?

People point out to me that bonuses are not permanent. They are not permanent in the sense that everyone gets them on a regular basis. We will look at that phenomenon as well.

Finally, people tell me that it is to retain the very best. As a former senior civil servant, a deputy minister, I can say I knew of no one who had and kept a job because he or she might get a bonus. They kept it because they were excellent, because they had a commitment to the work they were doing and because they were the kind of people that they are: first-rate, competent professionals. Therefore, that argument does not hold a lot of water.

Let us look at the other side of the coin. Why might or should we eliminate bonuses? The link between productivity and bonuses is very difficult to show clearly in government. A lot of people would argue that it cannot be done. How does one accurately measure productivity in a government environment? Are people really satisfied that what is being done today is in fact correct, fair and just? I do not think so.

It is also contrary to the concept of team-work. We recognize increasingly that if we are going to be more productive then we have to establish a culture of co-operation. I cannot be immensely productive by myself, but with the people who assist me, I can become increasingly productive. If I am rewarded, what about the people who have made me increasingly productive? Should they not get some consideration? I would contend it goes counter to this concept of team-work which I think is absolutely necessary not only today but in the future.

• (1140)

Finally, I would like to ask a question. What is the appropriate size of a bonus? Should it be $800? Should it be $3,000? Should it be $100? Should it be $10,000? How do you determine that fairly? How do you put a price-tag on that, particularly in terms of the approaches being used here?

Let us look at how many people get these bonuses. I am told there are about 4,500 managers in the Public Service who are eligible. We are talking about managers in the SM and EX-1 to EX-5 categories as well as the GX category. I am informed that the average payment is 4.5 per cent of the departmental payroll and it cannot go over 10 per cent of an individual's salary.

I received this information in response to a question on the Order Paper. When the last bonuses were paid it was an average of $3,198.35 at the SM level and $7,192 to the EX-5 level. I emphasize that these are averages.

When one looks at the situation today in Canada, my own province of Manitoba has one of the highest rates of poverty. Some of those bonuses are in excess of what a family has to feed itself and to respond to the needs of the family. Therefore, I cannot be persuaded that what we are doing is fair and in the best interests of all Canadians.

Unless my colleagues opposite suggest this is an idea that I have come up with myself, let me quote certain studies that I have requested. Treasury Board guidelines suggest a range of 7 per cent to 10 per cent for those without standing evaluations, 5 per cent to 7 per cent for those with superior evaluations and 3 per cent to 5 per cent for those with fully satisfactory evaluations.

It is important to note as well that only 30 per cent of evaluations may fall in the top two categories but almost 95 per cent of managers receive an evaluation of at least fully satisfactory. In other words almost every one of the

4,500 managers in the Public Service is eligible for the bonus.

For the 1990–91 fiscal year bonuses of about $17.8 million were paid to the eligible managers in the Public Service. The study says that this performance pay has long been an annoyance to other groups in the Public Service. They see it as a way around the wage and salary limits that hold for the majority of the Public Service. Even those within the management category have expressed dissatisfaction with the performance pay system.

Let me quote from the 1989 report of the Auditor General. The Auditor General cited several sources of grievance with respect to the system. These are: deciding on performance ratings without documenting or formally reviewing performance; documenting performance and deciding on a performance rating without input or discussion with the employer being evaluated; rotating "superior" performance ratings among employees for reasons other than performance; granting two ratings, one used in determining pay, generally lower, and the other for performance assessment purposes; allocating a greater proportion of "superior" ratings to senior levels, thus limiting the possibility of recognizing or financially rewarding equivalent or better performance at the lower levels of the management category; as a departmental policy, refusing to consider or acknowledge superior performance, whatever the performance, for people seconded to other organizations, participating in task forces, et cetera, to give more to those who were in the department during the same period; failure or inability to recognize special or exemplary contributions of employees not rated superior or outstanding; and granting merit increases or bonuses without input from or consultation with the immediate superior of the employee being rewarded.

• (1145)

These are serious concerns that have been expressed by the Auditor General.

The question of fairness and performance pay in the Public Service therefore has at least two aspects. The first is the perception of unfairness voiced by these groups that are not eligible. The second is the perception of unfairness voiced by some in the management category, especially those in the lower rungs of the category.

That the bonus is not being paid for the 1991–92 fiscal year adds a new element of perceived unfairness and also highlights one of the flaws. In some instances people have been used to receiving this on a regular basis. Because they have been receiving it and since they no longer will be receiving it until the freeze is lifted, they believe they are being doubly penalized.

In addition to the managers in the Public Service, heads of Crown corporations and Order in Council appointees have in the past received performance pay. At the time that the pay freeze for the general Public Service was announced, there were rumours that about 800 would receive such bonuses.

In fact, and I want to correct the record or the rumour if you wish, there were only about 250 Order in Council appointees who were eligible for these bonuses. The bonuses for that year were roughly $800,000. That is still a lot of people and it is still a lot of money.

Let me emphasize another point. The performance bonuses for managers are concentrated on a small group of Public Service employees. Those in the management category make up just over 1 per cent of all of the employees.

Almost every manager receives a bonus. The typical bonus is about 5 per cent of the manager's annual salary. Being widely spread even over a relatively small proportion of Public Service employees, the performance pay of managers may be too little, to quote this study, to provide an incentive to increase productivity.

We have also been looking at the Public Service in the future. Public Service 2000 is an initiative to renew the Public Service of Canada. It was announced some will recall in 1989. Its objective was to improve the Public Service in light of the probable demands of the 21st century, a very laudable objective.

As a first step, several task forces were set up and they reported in 1990. Not surprisingly, compensation and benefits including performance pay were areas examined by the task forces. Public Service 2000 recognized the deficiencies. It was not just Ron Duhamel, member of

Parliament for St. Boniface. It was not just the Auditor General for Canada or Parliament.

Public Service 2000 recognized the deficiencies in the current structure of wages and salaries. As the report of the task force on compensation and benefits put it, and I quote:

> The current Public Service approach to compensation and benefits is highly uniform, centralized and rigidly controlled. Such an approach tends to treat all employees, exceptional and mediocre, alike. Therefore, it cannot be utilized in any strategic manner as a management tool to influence the effectiveness of the Public Service.
>
> It makes little attempt to recognize and reward exceptional efforts, initiatives or accomplishments nor does it provide disincentives for poor performance.

That is taken from the executive summary, pages 1 and 2.

The future, according to this task force, would have to be different. The task force believes that the modern Public Service should have a flexible and comprehensive approach to basic compensation benefits and performance based rewards. This approach should be managed strategically.

This comes very close to recognizing that the bonuses should try to match their ideal attributes. Therein lies the flaw. In as huge an organization as this government, can it really be said with any degree of certainty that 1 per cent of the people who are getting these bonuses are the only people who are entitled to them?

Can it be said that those people who are receiving those increases are receiving fair increases? Can it be said that those people who are receiving those bonuses are in fact influencing the productivity of the civil service?

[*Translation*]

I would contend that any improvement in performance would be due to the efforts of all those men and women who work in the Public Service. The number of employees receiving this additional compensation is relatively small at 4,500. That very fact, I am sure this is true, has a negative impact on the Public Service culture. Those who do not belong to the groups I mentioned earlier cannot earn the bonus and that, I think, is deplorable.

• (1150)

I suggest two alternatives. First, let us have a system that would cover the entire Public Service. Let receptionists, secretaries, assistants and all those people who contribute to the efficiency of the Public Service receive the same consideration, fairly and squarely. I do not want to exclude a particular group, if that group or that individual helps improve performance.

But how do we do that? And if it cannot be done, is it worth it? Do not forget what I said, and I will say it again for the benefit of my colleagues. The argument in favour of these bonuses is that there is a very close link between improved performance and additional compensation. The additional compensation is needed to keep our best employees in the senior ranks. As I said earlier, I do not think that is true. I think these very competent men and women are there because of their interest and commitment. Public Service bonuses have been frozen without causing an exodus of employees who prefer to go elsewhere. I maintain that if the bonuses remained frozen and this particular compensation package were dropped, it would not have a negative impact on this group of managers. I think they would stay in the Public Service because of their commitment.

In concluding, I just want to stress that the purpose of this bill is to get rid of the bonuses. As I said in my press release, this bill proposes to treat all public servants the same by abolishing performance pay for senior management.

I suggest we get rid of these bonuses and give some consideration to performance across the board. If we cannot do that in a manner that is fair and equitable, I think we should get rid of bonuses all together.

[*English*]

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, it is unfortunate to be only able to have one speaker because of the business of the House preceding the introduction of Bill C-339.

Bill C-339, which proposes to eliminate the payment of bonuses in the public sector of Canada, demonstrates a lack of understanding of the performance bonus system in place for senior public servants.

I mention again that in 1981 when the management category was created, it was then decided to allocate a portion of the senior level compensation package to annual re-earnable performance awards or lump sum payments rather than having these sums permanently built into the base salary. The Advisory Group on Executive Compensation in the Public Service, a private sector group made up of senior executives from the Canadian business community which has been providing advice and recommendations to successive governments for the past 24 years, first recommended and still supports the performance bonus approach to pay.

The principle that a certain portion of the compensation package for executives should be put at risk, that is individual rewards determined on the basis of their contribution to the organization, is also widespread in the private sector.

Performance lump sum awards were introduced for public servants by reducing—and I say that again—by reducing by 15 per cent the salary range maxima to compensate for lump sum performance payments. Therefore, the replacement of the base salary adjustments with bonuses represents a cost saving because the lump sums are not compounded from one year to the next. Performance lump sums do not represent an extra payment but rather an alternative and a more cost-effective and efficient method of distributing the same compensation envelope.

• (1155)

I would like to point out that the elimination of the performance bonuses would mean moving to a system which provides permanent base salary adjustments equal for all, regardless of their level of performance or contribution to the organization. I can only say that it would not only be counterproductive but also unfair and most of all more costly.

I would like to add that the passage of this bill would be going against the current trend in the private sector as reported by the Conference Board of Canada and other consulting firms on the increasing portion of the compensation package that is variable or performance related.

Finally, the proposed act would have the effect of reducing the flexibility of the compensation system in favour of a rigid and more costly method of compensation simply in reaction to a lack of understanding of the objectives of the performance bonuses in the manner in which they are administered in the Public Service.

The government has a responsibility to ensure that the public servants' compensation is fair and equitable compared to the compensation paid in other sectors of the Canadian economy. While being attentive to the interests of the Canadian taxpayers, to date the advice of bodies such as the Advisory Group on Executive Compensation in the Public Service has been a determinant in establishing the current compensation system for executives which is recognized as one of the best systems by many other countries. I think we should continue to rely on those with the necessary expertise to make the compensation recommendations.

I conclude, therefore, by saying that I do not see any immediate or prospective gain that would be achieved by passing Bill C-339.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, while this bill seeks to correct the oversight found in Bill C-29 which dictated the wage freeze for most workers in the federal public sector and did not include bonuses which are paid to senior public servants and heads of Crown corporations, if one recalls, people on this side of the House opposed Bill C-29 and opposed the wage freeze of public sector workers, indicating that the proper place for this to take place is at the bargaining table.

On that same principle, the proper place for wages and compensation for senior Public Service workers is at the bargaining table. It may not be at the bargaining table with the union, but it is certainly at the bargaining table where salaries are established as is the proper place for salaries for heads of Crown corporations, if indeed Crown corporations are included in this bill, in a negotiation process, not in a bonus built in roll-on chunks of money.

The fact is that the average public sector worker who is under the Public Service Staff Relations Act earns around $30,000 with a wage freeze for the next two years. Then there is the fact that in 1991 over 4,750 managers whose salaries are way in excess of that, many of them in fact up in the six-figure salary range, were eligible for this performance pay bonus. That is the world's biggest boondoggle.

If in fact workers in the public sector, in this House, and others in Canada are receiving zero salary increases for, on the government's argument, good reasons in its view then why is this group of people, this strata of privileged people getting performance bonuses? We certainly are supporting that if no one gets a salary increase, these people do not get performance bonuses as well.

I think it is important for us to consider who is getting performance bonuses. If we are talking about the Crown corporations, which I hope are included in this bill, there is some question about whether we are going to have to amend when we go to committee stage to ensure they are included.

Let us look at this. The senior executives of CN, PetroCanada, and Canada Post, the top guys all earn $300,000 a year and they still get a performance bonus? That alone speaks volumes about where this government is going. Those who are privileged and special get a bonus; those who are the workers and the people who in fact produce the productivity in our public sector are the ones whose wages are frozen.

• (1200)

The place for salary increases is at the bargaining table, in the area where the union and free collective bargaining process should be taking over. Those who are the managers and the corporate elite should be doing it at their own bargaining table when they establish their salaries, not getting this backhanded bonus at the end of every year.

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S–17, an act to amend the Copyright Act, the Industrial Design Act, the Integrated Circuit Topography Act, the Patent Act, the Trade-Marks Act and other acts in consequence thereof, to which the concurrence of this House is desired.

GOVERNMENT ORDERS

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO AMEND

The House resumed from Friday, February 5, consideration of Bill C–73, an act to amend the Canada Post Corporation Act, as reported (with amendments) from a legislative committee; and on Motions Nos. 1, 2, 3 and 4.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, it is my privilege and pleasure to speak on Bill C–73 today. I really wish there were more positive things I could say about the bill and about Canada Post, because I know a lot of the employees of Canada Post. I meet them in my constituency and in Ottawa. They are fine people who are trying to provide an excellent service, but I regret that the environment and circumstances under which they are struggling to do their best are very difficult.

They are made difficult by the government and have been so since 1984, particularly 1986 when a corporate plan was announced essentially affecting rural Canada. More specifically 5,221 rural post offices were to be closed, privatized, amalgamated or whatever, laying off 10,000 people and affecting hundreds of thousands of Canadians in rural Canada.

It should be apparent to the government and to members who sit across the way who have to support this government initiative that in rural Canada it probably ranks with the goods and services tax and with the 38 tax measures in the last eight and one–half years of this government as being a very unpopular measure.

I know that running a country is not easy. They have to take some lumps for the unpopular decisions they have to make to achieve the leadership they have to show irrespective of party. The public outcry is so great that tens of thousands of petitions have been presented, crying out to be heard, crying out to reconsider the

decision to close rural post offices. It is incumbent on the government to pay attention or to heed the cry of those who see it as another blow essentially hurting or trying to dismantle those elements that hold rural Canada together.

This would be bad enough without the present circumstances of a recession and the difficulty that rural Canada is experiencing but there are other aspects that bother me. I am not going to dwell on the social aspect of a post office being the only real federal presence in small communities or on the aspect of Canada Post providing a service above and beyond Canada Post where seniors and people with various difficulties would inevitably get assistance from the affable postmaster or postmistress who always seemed to be present in post offices.

• (1205)

The policy of Canada Post in amalgamating post offices and closing down over 5,000 rural post offices is very much against two other policies. One is autonomous living for seniors, a policy of this government, and the other is affirmative action for women. There are some inconsistent policies.

The idea of autonomous living for seniors was that they would be able to live alone with minimum help. Normally seniors would go to post offices. The warmth and cheer of the post service would be topped up by seniors being able to get their mail from post offices. That does not happen now. Seniors quite often—and I have seen it happen—have to go to postal boxes. Particularly in the wintertime, this time of the year, it is almost impossible for them to get to their postal boxes either to get their cheques or mail from their loved ones, mail that is so important to them.

With respect to affirmative action for women the closing of the 5,221 post offices, with an average of two to three people and in some cases one person losing their jobs, would mean just over 10,000 jobs disappearing with this policy. It is significant that 83 per cent of the 10,000 jobs are held by women. I do not have to refer to the difficulty of women getting jobs. It is the subject of continuous debate and continuous media discussion, both printed and on the airwaves. For the government to pursue a policy and to insist on a policy that goes against the employment of women, particularly in rural Canada, really bears another look.

I cannot help but say it is a source of personal sadness to me as I drive around the 250 rural communities I serve as a member of Parliament to notice the inevitable disappearance of post office buildings, in some cases very small, that used to have the Canadian flag flying over them.

When it comes to profit margins I may be told it is not a big concern, that they are in it to make money. Making money is one thing but the purpose of Canada Post as espoused by the Prime Minister in 1984 was to give service to Canadians. Closing post offices and replacing them with impersonal post boxes or retail post offices is not giving the best service possible to Canadians. It is denigrating the over-all effort of community living. After all, one of the purposes of a government is to provide leadership and encouragement for living in smaller communities at a time when jobs are scarce, almost non-existent, when the economy of the country is so bad and when the debt situation is nothing less than depressing.

This is a bill to privatize Canada Post. It does not address the service to Canadians about which I spoke in the last five minutes. It does not provide specifics of the share offering to employees. It does not place any value on the assets or on the shares. It does not, above anything else, protect the employees about whom I spoke in glowing terms at the outset of my presentation.

The bill is indicative of the things happening in Canada Post upper management. The president of Canada Post makes in excess of $280,000 to $300,000 a year and supports this kind of a policy.

What do I see in the media? I see things like, for example, what went wrong with Canada Post that it is not going to make the profit it said it would make? I see a really gruelling example that has been the subject of discussion in the House, a private company getting $700,000 to send mail abroad. Even government agencies are saying that it is cheaper and more efficient to use private companies than to use Canada Post. The signals from the government are not very good in support of all the things Canada Post is doing.

• (1210)

Two and a half weeks ago I had a meeting in Spaniard's Bay, a community just short of 3,000 people. They are very worked up and concerned that their post office is

going to close because, they have been told, the natural opportunity has come to replace the postmaster and postmistress. As I have said in the House, this happened in the Prime Minister's riding and on five occasions the post office was not closed.

As if to add insult to injury, it does not give the public much confidence. I do not like zeroing in on individual members, but one government member was so frustrated that he had to rise in the House of Commons and basically castigate his own government. I am talking about the member for South Shore who on February 19 made a statement about the latest business of having to pay 43 cents to relocate mail.

There are 400,000 Canadians who move every year. This means that service will not provided. It is incredible. In fact it is so frustrating that the member for South Shore said on February 19 that there were no limits to the ways Canada Post would go to infuriate the Canadian public, and the public is infuriated. He went on to say:

> It is nonsense. It is an outrage with which Canadians will simply not put up, nor should they. This measure will not result in Canada Post getting its revenues in order. It will simply result in a lot of mail being thrown out that should be delivered.

This is a member of the government castigating his own government and the efforts of Canada Post.

In wrapping up I can only say that in viewing the mandate of Canada Post, in the words of the Prime Minister to provide a better and improved service to the public, it has not been met. It would appear that the government is taking every step it can to make sure this aim is not achieved.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I stand today to speak on report stage of Bill C–73, in essence a bill that would be a first step toward the privatization of Canada Post.

The people of Canada, especially the people of the regions of Canada, are very well aware of the effects of privatization when it comes to service whenever this government has privatized in any way, shape or form. I remind them of what happened to prices in the airline industry and to the fiasco we are in now after Air Canada was privatized. Do the people of my riding pay less for their fares? No, they do not. They pay a very high price for transportation because the private companies are busy trying to promote flights outside the country. As a result it is cheaper to fly to Florida from Sudbury or to fly to Europe from Toronto than it is to fly from Sudbury to Toronto. I venture to say that privatization of Canada Post would lead in the very same direction.

The services of Canada Post have certainly deteriorated in past years. There is no doubt in my mind that the latest blow has been the advent of the twin boxes which are supposed to be more efficient. The people of Canada will know what twin boxes mean. If they have a piece of local mail they put it in one box and if they have a piece of mail to go anywhere outside the area they put it in another box.

All the mail for northeastern Ontario used to be sorted in Sudbury. Of course that is not done any more. Apparently it is far more efficient to take all mail and ship it to Ottawa so that it can be shipped back to all outlying areas and municipalities.

With the advent of these twin boxes we thought the local mail would be distributed in a more timely fashion. Let me recount some of the things that have happened since the advent of these twin boxes. It appears that any local mail deposited in the box on Friday afternoon, Friday evening or Saturday in essence is also shipped to Ottawa. If you think a letter posted in Sudbury on a Friday night or Saturday will get to its destination on Monday, that is local mail, think again. It is not likely to get there much before Wednesday or Thursday. I am told it is somewhat more efficient to ship all of that mail to Ottawa and have it sorted here because they have these brand spanking new machines that can sort mail very quickly. What they have forgotten is that you have to get it there and back. So the mail is just not getting where it is supposed to go the way it used to.

• (1215)

What has happened to service? We sure pay for it, but are we getting it? In another attempt to save money, a large number of postal boxes were eliminated because it was too costly to collect mail from all these boxes. In some instances, I am sure that it was. We have areas in our country where a high level of seniors live. They have very few ways of mailing and paying their bills. They now have far more difficulty getting to the postal boxes.

I have one instance where there are a number of high rise apartment buildings in a fairly small area together. The postal outlet has been moved. I have had petitions complaining of this, that now they have to walk down

quite a steep incline and back up again to mail their letters.

When you are young and healthy, it is easy to say you will just run down and throw the letter in the mailbox. Even though it is a hill you are in good shape and can do it easily. Let me say that when you are a senior living in northern Ontario in the wintertime and you have to walk down a steep incline, you are going to be very worried about falling. It is going to be far more difficult to post that letter.

The services have been changed. They are not accommodating and we wonder why they are having the problems they are having. I always thought that if you offered the best possible service, people would use what is there.

This government goes on about business. It says everything has to be run like a business. I say right now that businesses that do not provide customer satisfaction do not do well. They inevitably go out of business. If it is the idea of offering the best possible service to the consumers out there, Canada Post certainly is not in that kind of business.

I do not know who Canada Post has been trying to serve, but I can say we are not getting our mail like we used to. Away back when, we put a letter in the mailbox and it was a rule rather than an exception that we would get our mail delivered within 24 hours. Nowadays the only way we can have any form of guarantee is if we pay extra and get priority post.

That is one reason why people are relying less and less on the post office. It is less and less likely that their mail will get to its destination on time. Now Canada Post is going to have to compete with faxes, telephones and with a lot of private services which do a very good job, by the way, in making sure that mail gets there on time.

I want to remind Canada Post that it is there to serve the public. Yes, it is fine to try to break even. It is a good idea. However, if it discourages people from using its services, whatever services remain have to be more and more costly because it is the only possible way of recouping the dollars that it is spending.

I would suggest that Canada Post try to instil in its upper management the idea that it is really there to serve the people of Canada. It is there to guarantee that those people who live in the regions that are very far away have access to the materials in a similar fashion to those who live in densely populated areas. That has been the essence of our country, to ensure that no matter where one lives, there will be at least a semblance of a similar service.

Canada Post somehow is forgetting that. It is forgetting that at the expense of the Canadian people and it is forgetting that at the expense of its own employees. The employees are being asked to do more and more with less and less and are having a hard time providing the kind of service they would like to provide.

• (1220)

Door to door mail delivery is not being expanded in any area of Canada, certainly not in my riding. You see these postal boxes more and more. People are being charged for postal boxes because Canada Post does not want to be in the business of postal boxes any more. Every time you turn around it is shedding another part of its responsibility.

It is absolutely essential that we stop worshipping money only because money does not know people. It is good to have a healthy bottom line. The only way to have a healthy bottom line is to serve the people that you are supposed to be serving. I suggest that Canada Post go back to the drawing-board. Yes, it can offer shares to its employees but make it that the shares which are being offered will give the employees a voice.

This proposal gives the employees no voice whatsoever in the ongoing workings of Canada Post. It is only when the employees have a say in what is happening in the services they are delivering that they can really improve. They have some real insight into what should be done and which way we should be going. They see what is happening every day in Canada Post. They see the number of problems. They live with them.

Do you not believe that if you are going to be a shareholder, you should have a voice or a vote in the matters which you are going to share in? This particular bill, although it will sell off perhaps 10 per cent of its shares, will not give the employees any say in the direction of Canada Post. That is a great shame.

I ask that we not pass this bill, that we send it back and ask Canada Post to consult with its employees, to come

up with the best possible package to serve the people of Canada because that is what it is in the business of doing.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I welcome joining in the debate on this important bill which is changing Canada Post once again.

One of the most frustrating things I have experienced as a member since I have been elected is dealing with Canada Post. Coming from Saskatchewan and having a riding that is largely rural, there have been a number of rural post office closings in my riding as there have been right across the country.

What is most frustrating is that Canada Post will come into a community and advise the people that they are losing their post office. It holds a public meeting and tells people it is there to improve the services of Canada Post. It is going to give better service. People respond that they already have good service and like the present service. However Canada Post says it has to make some changes because it is costing too much money.

If Canada Post would be honest and open with rural Canadians I could understand it. If it would come into a community and tell people it was costing *x* thousands of dollars to run the post office and it is only bringing in *x* thousands of dollars in revenue, they could try and work something out so that they could keep their service and the post office could have a better bottom line.

I do not have a problem with that. What I have a problem with is the fact that Canada Post comes in and dictates what is going to happen. It simply closes post offices with no real consultation. For a long time I wondered what Canada Post was doing. It is clear that what it wants to do is privatize this corporation.

Mr. Blenkarn: That is right.

Mr. Laporte: The hon. member across the way says that is right. The problem is this. Canadian Post should come into a community and tell them it wants to provide good service and that the community should work with it. For example, there is a community in my riding that offered to buy the building for Canada Post. They wanted to give Canada Post a free building and save it money.

In places like Briercrest, where people like Bub Hill were working for the community they said: "Give us shorter hours. Give us fewer days. We would be happy with that".

• (1225)

Another community offered to let one of the town employees work part-time at the post office. Canada Post refused all those offers. It would not work with the community. It simply said that the community would be getting better service and it was closing the post office.

That only makes sense from the point of view of shutting rural post offices down. If this government had the interests of rural Canadians in mind, it would have a different approach to the rural post offices.

Some of these rural communities are struggling to survive. When the post office goes, it is their last contact with the federal government. Every post office in this country cannot remain. Things change. If there was only a more reasoned approach to how Canada Post buildings and rural Canada Post offices were operated, then we could deal with that.

This bill is simply an extension of the unwritten government policy. I note that last May the minister for Canada Post stated that immediate privatization was not in the cards. He made a comment: "If I had to bet, I would bet that in the next couple of decades you will see post offices being privatized all over the world. I would not mind seeing Canada first". Pure and simple, this is one more move down that slippery slope to privatization.

If the government would work with the union instead of ignoring it, we would have better labour-management relations. This idea of trying to placate the union by offering it 10 per cent of the shares without any real consultation with it is ridiculous. It should start dealing with some of the over 100,000 grievances that exist with Canada Post. That is almost two grievances per person. These things have been backlogged for years. There is some frustration that the Canada Post employees are feeling. This is an area where the government could start dealing with problems at Canada Post. It should not unilaterally come in with a bill saying: "Eureka, we have the answer," telling the union, Canada Post and Canadians what is good for them. That is the same attitude it had in closing rural post offices.

I have had people contact me when they were trying to save their post offices. Canada Post told them they could call their MP but it would not do any good because it was going to do what it wanted anyway. That is a really nice arrogant attitude to have. It reflects the arrogant attitude of this government.

When there have been two majority governments for eight or nine years, there is a tendency to become pretty cold, pretty callous and pretty arrogant. Canada Post is reflecting that. That type of attitude is certainly not going to endear Canada Post or the government to rural Canadians.

We are saying on this side of the House that Canada Post should be reasonable. Let us work together to provide Canadians with a good postal service. Let us be honest with Canadians. If the government wants to privatize Canada Post, why does it not have the guts to come out and say what it is doing instead of hiding behind these veils of deceit?

It is the same as the Prime Minister in 1985 making the comment that some people wanted to buy the CBC but it was not for sale. Neither was Air Canada for sale. These are famous last words. Since this government has been in power, it has been saying one thing and turning around and doing exactly the opposite. It has a privatization mentality without any regard for the consequences of its actions.

If Canada Post took the objective that what we want to do in this country is provide Canadians with good postal service, then we have some place from which to work. Instead what it is saying is: "We want to privatize Canada Post. We have to do this one step at a time so that we can hoodwink Canadians into believing that it is not going to be privatized".

• (1230)

Mark this member's words: If this government, this party ever forms the next government Canada Post will be privatized before the end of that term. I just thank the heaven above that we have an election coming up in the next few months and that the government is not going to have enough time to privatize this corporation. Rural Canadians certainly are remembering the callous attitude this government has had toward them.

I would like to comment on and underline the frustration that I have felt. I have never been so frustrated in dealing with any aspect of the government or Crown corporations as I have been with Canada Post. Employees of Canada Post, people in management, have told me and others: "You can do what you want and you can say what you want, but we are going ahead with our agenda regardless". I find that disgusting. I find it underhanded. I find it deceitful. If this government wanted to endear itself to the people it should take a little different attitude. It should try to understand what rural Canadians want and what Canadians want in a postal service.

In the city of Moose Jaw we were told by people like Dave Byas, who is one of the PR boys for Canada Post, that Moose Jaw would not be touched. He said there were no plans for Moose Jaw. The fact is that the wicket service at Canada Post in Moose Jaw is going to be closed. It will be re-establishing all the post offices in Moose Jaw and will have four retail postal outlets.

We found that out through someone in Canada Post speaking out of turn. Then we phoned people in Regina, the people who are supposed to know, the public relations people, and they said there were no plans to close Canada Post, there were no plans to change Moose Jaw. That is a lie by those Canada Post employees. That indicates that Canada Post employees are deceitful. That is the kind of attitude that is hurting Canada Post and hurting the reputation of this government.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I also welcome this opportunity to speak at the report stage of Bill C-73, an act to amend the Canada Post Corporation Act. Perhaps it would be useful to provide some background on the Canada Post Corporation, with emphasis on the 10 years since 1982, when it was created to replace the post office department.

The purpose of creating this Crown corporation was to avoid the problems there had been in the past under the post office department. At the time, the objective was to provide better service, improve labour relations and balance the books. I must say that before the Conservatives came to power, Canada Post Corporation had been well on its way to reaching the objectives set by Parliament in 1982. However, that was not to be. I see I have just roused a few Tories. Maybe they should sit up and

listen. They might understand a little of what has been going on in an area I happen to know very well.

So what did happen in 1985? First of all, in 1982 the Department of Finance had set a timeframe for balancing the books which would extend over a number of years. As I said before, the corporation was well on its way to reaching that objective. However, when the Minister of Finance brought down his budget in February 1985, he decided that appropriations would be cut and they would have to balance the books starting that year. A few months later, the government introduced Canada Post's corporate plan, which, as you know, caused a regular revolt across the country, with the so-called supermailboxes people could not open because they were frozen shut, and they are still a big problem today. We remember the indignation of rural Canada, still very much alive today, because the government decided to close thousands of post offices in small towns and villages. These offices were the only federal presence, the only place one could see the Canadian flag.

• (1235)

I will not go into all the details because it would take hours, but as far as this bill is concerned—and that is why I have trouble supporting the bill and in fact, I am against it—what is the government doing about the situation? It is doing a little PR. The corporate plan was imposed by the government on Canada Post, and members of the board of directors who did not agree were obliged to resign.

We know what happened. We had two strikes during the last two terms of this government. Every time contracts had to be renegotiated, there was a strike that cost the country millions of dollars, with violence and the rest. Then in 1992 the minister responsible for Canada Post introduced a bill to say it would try and do some PR. Canada Post would offer 10 per cent of its shares to its employees. The catch is, they would buy those 10 per cent, but nobody knows how much it would cost or what they were worth.

The funny thing is, this government claims it is going to run the show and know how to run a business. As I see it, when you are in business and you decide to sell shares and put them on the market, you need a plan, and you have to know how much it costs. In this case, we have nothing. But the worst thing is that they are practically insulting employees by saying: "You can buy 10 per cent, but you will not have a say in how things are done. You will not have any voting rights".

A shareholder buys shares in a company, whether or not it is a Crown corporation, and has no say in how the company is run. I do not think we can tolerate that today, in 1993. Whenever we ask the government about this, it keeps saying there is a corporation and we should let the corporation decide how Canada Post should be run.

However, in 1985 the government imposed a corporate plan. And all the problems we have seen since then were caused by this plan, which changed the original mandate given by the legislator, by this House, in 1982 when Canada Post Corporation was created. As I said before, at the time this was done to improve services and labour relations and to balance the books. But in 1985, it said: "Forget labour relations, forget services to the consumer and balance your books starting now, because we are not going to give you one more cent". In the process it destroyed something that represented and united us across this country.

Sure, according to the hon. member from Mississauga, the real reason is that it wants to privatize. Sure, sure, but listen. Are we going to privatize the House of Commons? There are some things that cannot be privatized. And our postal service is one of those things, especially in a country like Canada.

[*English*]

I am not joking. Imagine if we privatized Canada Post. In Montreal, Toronto or Vancouver a private enterprise can run the post office and make a profit. But what happens in the small towns and what happens in the north? It is the philosophy of this government that the country is just Montreal, Toronto and Vancouver, and these days even Montreal is being shut out.

We have to stop this mentality and put people first, put service first. That is what we are here for. We have to provide the service and make sure that we can afford it. However we cannot just say that is the priority, because that is what this government did in 1985. The Minister of Finance presented the budget and said from now on, with the next fiscal year starting April 1, the government would not continue with a deficit and the books would be balanced.

• (1240)

In 1982 the postal corporation was given a very clear mandate to give better service, have better labour relations and balance the books in a due and gradual period so that the corporation could organize and reach its objective. Instead, what have we had as a result of that business plan of 1985? We have had two violent strikes that cost the taxpayers millions of dollars. We had to pay through postal stamp increases.

There is no more because of that business plan. Any members of the board of directors of Canada Post Corporation who refused to go along with the government were forced to resign. Therefore the government did what it wanted to do and forgot the original mandate of that corporation. Today, with this bill it is a joke because it wants to recreate the good labour relations that it had in 1982 and which stopped in 1985. Now it wants to give the employees the chance to own part of the corporation. They do not know what they are buying and they have no vote, so this is a joke and an insult.

[*Translation*]

So far, I was discussing the problems at Canada Post and relations between the corporation and the government, but I want to take this last minute to give another example from my riding.

In Saint-Léonard, there is only one post office, which may soon be closed and just look at the way these things are done. Canada Post did not ask the neighbourhoods around the post office what the town of Saint-Léonard thought about it. So what is it doing? It is looking around for a corner store that can buy the equipment needed to operate a post office. This means there will be no more counter service on Jean Talon Street. Of course there will be fewer problems with the union, because a number of employees will no longer be there.

Did it consider the service aspect? Will people get better service? There you have the whole philosophy of the Canada Post Corporation, reflected in the corporate plan imposed by this government in 1985: Listen, we have to make a profit and the rest does not matter.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, you have no doubt heard people say, "There is nothing there". Well, that is a good way to describe Bill C-73: There is nothing there. There is nothing in it for workers and nothing in it for the people.

[*English*]

This is, no doubt, the first step toward privatization. I think we all acknowledge that. We recognize that the workers can buy up to 10 per cent of the shares, but there are no prices, there is no precision, and there are no voting or decision-making powers incorporated within that 10 per cent. That is, if they decide to proceed. That is really very unfortunate. This is a first step.

[*Translation*]

I am convinced that it is the first step to privatization. My colleagues in all parties indicate that they agree with me. I believe that is unfortunate, because the government has a wonderful opportunity to address a basic issue, namely the services which Canada Post provides to Canadians.

[*English*]

This was a wonderful opportunity. It could have looked at what Canadians are saying and it could have addressed those concerns. Then perhaps it would have been a laudable, appropriate and meaningful bill. I see it as a first step toward privatization. One could read into that perhaps some potential positive elements, but the way it is now written it is vague, imprecise and does not give any sense of what is going to be accomplished and what a golden and wonderful opportunity lost. It could have addressed the whole question of service.

I want to dwell a moment or so upon the question of service. This is a terribly arrogant corporation. As a member of Parliament, I asked a very simple question: Tell me which facilities in my constituency have been affected by your decision. First it resisted. Second, when I persisted, it gave me a list of all those that were still in operation with the services being offered. I guess the official languages are not understood very well. I asked very clearly about which facilities had been affected. I would like to know so I can in fact study this with my constituents, but the choice was not to tell me.

• (1245)

I am hoping, as I know you probably are deep down, Mr. Speaker, that there is a Liberal government, because the first call I will be making will be to the Canada Post

Corporation to get a complete list of all facilities that were affected.

Let me just share with the House some of the facilities that in fact have no service or fewer services than they did in the past: Marion Pharmacy, Metro Drugs on Autumnwood Drive in my constituency, McCullough Drugs, Taché Pharmacy, and one that has taken on some significant interest of late, the community of St. Germain.

Recently I sent out a survey in which I asked people: Would you list for me the concerns that you have and tell me what is bothering you. They had lost their post office. It had been changed to an alternative service. They said that there was an inconsistency in service. Sometimes it is good service. Sometimes it is lamentable. They could not count on it.

There are people, for example, who will go to St. Vital, just a short distance away, because if they send a letter from St. Germain they tell me it could take a week. If they send it from St. Vital it will perhaps go at the speed it should and will arrive on time. They point out they are designated as a rural area. That decision is an arbitrary one because they are in fact a small community. By virtue of their being labelled as such they do not get the same kind of consideration as do adjoining urban communities.

The fact that they are called rural as opposed to urban works in their disfavour. They also point out that with the current facilities available there are flyers lying all over the place. It is polluting the environment. It is making their community not at all as attractive as it might have been. They point out that they are receiving flyers late. They get a flyer for a sale, look at the date and realize that the sale is over. That is really quite inefficient. I am sure that you will agree with me, Mr. Speaker.

They also point out that their supermailboxes are close to a highway where the traffic is very rapid and where it is a real safety concern, particularly when there are children involved. They are complaining and their complaints are legitimate. We need to address these concerns, the pollution of the environment, the safety factors, and the fact that it is not nearly as efficient as it was.

What is Canada Post doing about situations such as the ones I have mentioned?

[*Translation*]

And those are not the only concerns which my constituents shared with me. They often mentioned services in French. As you know, Mr. Speaker, that issue is very dear to me. Because of these cuts and reductions and decisions by Canada Post, there is less service in French for the French-speaking people in my riding, and I find that deplorable.

I have here a letter dated February 14 from a constituent in which he says how much difficulty this causes him. Before, he could go to a post office located nearby and receive services in French. Now, he must go a very long way to receive the same services or else accept services in the other official language. I find that completely unfair. The government had an excellent opportunity to remedy all those problems. But what did it do instead?

[*English*]

The government came forward with a bill that attempts to suggest that employees are going to be better off. If we look at the press releases from the unions and the workers, we find they do not think they are going to be better off. They think this is a smoke-screen for what the government eventually intends to do, that is to privatize the post office. They see no benefits whatsoever for the workers.

I have to agree with them. Perhaps the intent was noble. I do not know that, but the precisions are not there. What is the worth of the shares? Where are the details? If you and I, Mr. Speaker, were to buy shares, we would like to have a few details and so would they. Here is another opportunity for the government that has been blown again.

At the same time as it introduced this scheme it could have asked: Why do we not look at some of the concerns of Canadian citizens with respect to mail service? Why do we not look at the whole notion of supermailboxes? Why do we not look at the concerns they have for reductions in services, sometimes in both official languages? Why do we not look at the concerns of inefficiency and efficiency? Why do we not look at the concerns of costs? Why do we not address the concerns of Canadians with respect to postal services? It had that opportunity and unfortunately probably suggested that it should not be followed up.

• (1250)

I am coming close to the end of my remarks. I want to finish by simply indicating that it is quite unfortunate the government did not attempt to address the question of service as opposed to the question of potential profit. It is important to have profits when they can be achieved, but at what price? Surely people must come first. Surely receiving communications in the kind of country we are in and in the kind of world we are in has to be a first priority.

[*Translation*]

I close by saying again to emphasize it that it is unfortunate, because the government could have used this bill not only to do what it decided to do but also to address the question of services, to ensure that all the problems which are regularly reported to all hon. members across Canada about Canada Post's services would be addressed. But it preferred to do something that will not change that at all. As I said at the beginning, there is nothing there for the employees and the government has in no way addressed the issue of services. That is too bad.

The government has again lost a chance to restore some credibility and to try to address Canadians' real problems. Unfortunately, the government has failed to do so.

[*English*]

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I too have a few things to say about Bill C–73 which proposes certain amendments to the Canada Post Corporation Act.

It is well known to the House and maybe to those who are watching today that the bill would make a few cosmetic changes. There is nothing to get terribly excited about, except to the degree that it sends a larger signal. The signal we have been getting from the government for some time is that it is the government's full intention to privatize Canada Post.

In that context these amendments are another nail in the coffin of service to people, particularly those in rural Canada, people who live in small communities, have grown up with the post office outlet and have come to see it as a part of the service and as a meeting place.

There are few meeting places left in rural communities. Very often the school is gone because the students are being bused down the highway to a larger community. Very often the church has been consolidated with a congregation in another community. It is the same with the parish and community halls; they do not exist in every community to the degree they did years ago. Very often the only meeting place left is the post office. Indeed in many of those communities the local shop does not exist any more. With the change in shopping and buying patterns we find that many smaller communities no longer have anything more than a corner store or a candy store if that.

The role of the post office as a meeting place should not be underestimated. As a place of service, as a place to buy stamps, to receive mail, to send mail, to pay bills, to pay mortgages on houses and to make payments on boats and cars, it plays a disproportionately crucial role in small communities. I would have thought, whatever the over-all objective of government in terms of having Canada Post pay its way and so on, there would have been a particular strategy for the small community. That has not been the case.

• (1255)

As with just about everything of a policy nature in this government we see the same credo. If it works in Toronto it must be marvellous for Tompkins in my riding. If it works in a large urban centre the government rushes out to make it apply, to make it work, in the less populated parts of the country.

That effort, that stubborn strategy of applying urban solutions to rural situations, is causing a lot of pain. Whether it is the issue we speak about today, the post office, whether it is in decreased health care opportunities for people in rural areas, whether it is less convenient transportation availability, or whether it is the increased difficulty to access student loans to further education after secondary school, in all those areas the government's hand is seen making life more difficult for people in rural Canada.

Yes, we in this party are opposed to the privatization of Canada Post. We have said that many times. We are also opposed to this particular bill. As I said, as I implied a moment ago, this bill is the latest step in aiding and

abetting the process, the over-all agenda of this government with respect to Canada Post.

What is in the bill? There is talk about some shares to be offered to employees, but we have heard from the employees on that and they are not terribly excited because they would be non-voting shares. The employees would still have no real say, no input in the operations of Canada Post. There has been no effective communication with employees of Canada Post to get their support for this proposal. That is why we have the statement to which my colleague from St. Boniface made reference a moment ago, the statement in which the head of the Canada Post union does not have very kind things to say about this bill or about the government's effort.

In my own riding of Burin—St. George's with 158 communities, the largest of those communities is about 8,000 in population. Many are much smaller. For example, there had been a post office in the community of Cartyville for many years. With the resignation of the postmaster the government moved to a rural franchise and postal boxes.

In the community of Cape Ray in my district, with the death of the postmistress who was a relative of mine, a cousin of my family, with the passing of that dear lady the government moved in again. Canada Post moved in and replaced a long existing post office with a rural franchise and postal boxes.

The same was done in St. Fintan's on the death of the postmaster. When the postmaster retired in Cape St. George the same thing was done. When the postmaster retired in Creston Canada Post moved in with a rural franchise and postal boxes. The list goes on. With a resignation in Burin Bay Arm the same thing happened. When the postmaster in Burnt Islands was promoted the same thing happened. In North Harbour with a retirement the same thing happened: a rural franchise and postal boxes.

• (1300)

In fairness, there have been two or three exceptions. I want to be candid and fair on that point. In Garnish when there was a retirement the position was staffed, as was the case in Rushoon and a couple of other places.

I see my time has nearly run out so I will not dwell on the details. Suffice it to say that in a couple of dozen communities in my riding in the last three or four years post offices which had been playing very vital and worth-while roles in those communities have been wiped off the map. Instead, in some cases we now have the government providing just rural mailboxes.

At this time of year, in the dead of winter, with the kind of weather we get in Ottawa—it is not quite so bad in Newfoundland but we see some snow there too—or in Newfoundland, if people are going to approach one of those mailboxes they had better have their key in one hand and a blowtorch in the other, because the chances of getting their mail out of the mailbox on many days is very slim.

This bill is just the latest sleight of hand by a government that is very practised at sleight of hand. I wish it would leave rural people alone for a change and give them a break instead of socking it to them one more time, as it is doing in this bill.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to rise to support the motions of my colleague, the member for Churchill, who basically wants to gut this bill.

The opposition to this bill is well thought out. It is based on an examination of the history of this government and its relationship to Canada Post. It is a history of saying one thing and doing the other, whether it is in Canada Post, Air Canada or the CBC. On one day the government says that it will not privatize Air Canada, it will not sell Air Canada. Then, lo and behold, it goes right ahead and sells it lock, stock and barrel. The people of Canada no longer have a single share in Air Canada today. It started out by a partial sale, albeit 50 per cent as opposed to the 10 per cent proposed in this bill. This is a first step toward full privatization.

I want to examine the rationale as to why the government is suggesting that giving the employees the opportunity to buy 10 per cent of the Crown corporation they work for will lead to better labour-management relations.

One way not to lead to that is by asking employees to give up part of their earnings and give them back to the company so at some point down the road they may or may not get some kind of return on their investment.

If Canada Post was serious about better labour-management relations it could start by dealing in a fair way with the 100,000 grievances that are already in process. There are 100,000 workers who have felt that the

corporation violated the collective bargaining rules, the rules of the contract, which were agreed to by both sides.

We know that just because somebody files a grievance does not necessarily mean that they are correct in suggesting that the company has violated a particular clause. However in that same contract is a process for dealing with those grievances. When there are 100,000 grievances outstanding there is a really big problem.

If we look at some of the patterns within Canada Post from coast to coast to coast in terms of the areas where there may be more militancy or higher absenteeism we really must look beyond the specific grievances and find out what the management attitude is, whether it is an attitude handed down from head office or the attitude of the supervisory staff at a particular location, to find out where the problems really are. That is what we have to do if we really want to be serious about addressing the whole question of labour-management peace.

• (1305)

We also have to ask ourselves whether Canada Post's drive to do much better on its bottom line, to show a profit, has not in part been designed to bring about a forced reduction in the level of service even more than we have already seen.

In suburban Canada people who moved across a line, across the street, went from having door-to-door service to group mailboxes. In the rural area there is now a preponderance of green mailboxes as opposed to driveway-to-driveway delivery, which not too many years ago we could count on as rural residents.

Take a look at our urban post offices. If we go there between 4 p.m. and 5.30 p.m. what do we see? We see long lines, primarily business people, but also people who have just left work and want to do their postal business before the close of the post office that day. What has Canada Post done? It has minimized the number of staff who are there to serve the customers. One or two counter clerks are available at a time when there are 20, 30 or 40 people standing in line trying to do business.

That is done on purpose. That is part of Canada Post's way of forcing a downsizing of the existing corporation, of making it more palatable for post office services to be handled at Safeway, the corner store, or wherever because people are fed up with the line-ups and the long wait. If people are in business, whether they are the gofer whose job it is to take the mail out and process it at the post office or the owner of that business, they do not have time to waste standing in line at the post office. It has a major negative impact on commerce in this country.

Canada Post is now operating under a really neat logic. Instead of having the mail sorted in the community it is destined for—if I dropped a piece of mail in the mail box outside my office in Thunder Bay it would not be processed locally. It would be shipped off to Winnipeg to be sorted and brought back to Thunder Bay. Does that make sense? Is that a good use of human resources? Is it a good use of transportation resources? I think not. What it does is add to the length of time it takes a letter to go across the street.

There was a time when we used to have mail sorting cars on our passenger rail trains. A letter mailed in Thunder Bay on Monday afternoon that was addressed to Ottawa was delivered there the next morning by train. We have gone backward in a lot of things we have done at Canada Post.

In addition to giving the employees this golden opportunity to divert their hard-earned money back into the company they have been fighting with for decades, this bill does not do anything for service. It does not improve service at the post office, does not improve rural service, does not restore Saturday service or Saturday delivery, and does not restore sorting in the communities in which the mail is collected. It does nothing to improve Canada Post services.

The government always talks about wasting House time. It rails at us because we want to debate items and we want to debate them for more than four or five hours. The government could have saved a lot of time for a lot of people, and a lot of aggravation, by not having brought this bill forward.

• (1310)

Which employees are going to buy these shares? Is it going to be the single mom who is a counter clerk and is earning just enough to get by on? I admit that Canada Post because of the collective agreement pays a decent income to its workers. But in today's society even a decent income as we used to define it is not enough. Is

that single mom going to divert part of her hard-earned income back to the company? I think not.

Maybe the president of Canada Post might get a few shares. When Air Canada was privatized it was a real boondoggle in terms of the chief executive officers of that company getting access at a really low rate to great amounts of shares. Maybe that is what is going to happen here.

Mr. Manley: They lost their shirts.

Mr. Angus: As my colleague the Liberal transport critic says, they lost their shirts. We will not get into that today, but I agree with him.

It will be those people in the management at Canada Post who will get their piece of the pie. They are positioned so they can squeeze that much more out of the workers and reduce the amount of staff at the counters even more. It will look good on the bottom line but does not do anything for services to people or to Canada.

I have a final point. Canada Post, which provides the ability to move a piece of paper across the street or across the nation, is as important for keeping this country together as the passenger rail service is, as the airline service is, as the highway system is and as the Constitution is. As Canada Post goes, so goes this country.

Mr. John Manley (Ottawa South): Mr. Speaker, my friend across the way from Mississauga South seems to be surprised that I would speak on this bill.

He is probably thinking, knowing me as he does, that I might favour employee participation in an enterprise as a means of encouraging productivity and encouraging employees to identify with their organization and feel they have a part ownership in it.

If that were the result of this legislation I might share that opinion. However, when I look at what Canada Post is creating here the best that I can say about it is that it is very disappointing.

Employee participation in ownership in business enterprises is becoming an important factor in the capitalization of many Canadian businesses. Very recently, there was the involvement of the employees council at Canadian Airlines. It was an attempt to save the employees' own company through their participation by forgoing salary and acquiring shares in their company.

They did it as a part of a co-operative effort that included the participation of government and outside investors. It can make sense. It does increase the identification that employees have with their employer when they are also shareholders. However, there are some requirements for that to work. I do not think that those requirements are met in this case.

The bill does not give us very much information about what the government is ultimately going to propose when it actually comes to the point of issuing shares. All we know for sure is that the government does not propose to allow employees to own voting shares. We know they will be entitled to acquire up to 10 per cent of the shares. The other 90 per cent will be held by the government. We know they will not have voting rights.

We do not know what other rights they will have. We do not know whether they will be receiving dividends on a formula basis or whether they will be participating equally with the government as the major shareholder.

I would like to suggest that for this plan to have any validity whatsoever there are a number of criteria that should be satisfied.

• (1315)

First of all, I believe the shares which are issued to employees should be full participating shares. Employees should participate with the majority shareholders equally when dividends are paid out. We know that in recent years there have been years in which Canada Post has paid a large dividend to the Government of Canada. If you want the employees to own shares they ought to participate *pro rata* on the receipt of those dividends.

Second, employees should be entitled to vote. They should have full voting rights. This brings with it certain other characteristics that are important. If they have voting rights, then management will be required to account to the shareholders for their management of the corporation, which is as it should be. These people are being asked to put money at risk. The accountability function should be there. They are going to be a very small minority in a company dominated by the 90 per cent shareholder. They should have, as a right, minority representation on the board of directors of Canada Post

Corporation. They should be entitled to elect, as a class, a director or directors to represent their interests on the board of directors.

They should have a market for their shares. We have no idea what the government may have in mind with respect to this. Since the bill does specify that the shares can only be held by employees of the corporation, the government needs to create in that context a market so that people can dispose of their shares if they need the money. They should be able to know how much they can get for their shares or at least how that price is going to be calculated.

These minority shareholders should have the right possibly to have their director approve certain types of decisions. Finally, if this kind of system is going to work, as a minimum it absolutely requires the support and the participation of the union representatives of the employees.

I will go back to the example of Canadian Airlines where the employee share purchase arrangement is contributing a great deal to the equity of that corporation. Each of the unions at Canadian Airlines has agreed and is participating fully in a co-operative way with that initiative by the employees' council.

It seems to me that to start this share scheme without the co-operation of the unions at Canada Post dooms it to failure. Instead of creating a situation of greater co-operation, of greater mutual understanding, it creates the potential for different kinds of divisions. If this is the path that the government chooses to go, then the warning from my colleague from Thunder Bay—Atikokan a moment ago may be correct, that in fact this is a kind of executive compensation scheme. It is not any kind of employee participation plan whatsoever.

For that reason, there should also be a limit on the number of and percentage of these shares which can be taken up by senior executive officers of Canada Post Corporation. If they are not there for the rank and file employee and if those people are not taking up the shares voluntarily in a situation in which they feel that their rights are protected, this scheme is not likely to work.

Even if you take the position that these shares should be made available to employees of Canada Post, the scheme the government has put forward is filled with points that are uncertain and not clear. I cannot see where they intend to end up. I suggest that this is not going to improve employee relations at Canada Post Corporation.

While I am on my feet, I have to say that in many ways, dealing with issues related to Canada Post have been among the most difficult I have confronted over the last four years. Canada Post Corporation has pursued the mandate that it operate profitably without sufficient regard for its mandate of public service. If in fact some others have said that this plan is really a plan to move Canada Post Corporation toward the day when it is privately owned, then I fear for the ideals of service to the public which seem to me to be fundamental and of primary importance to the mandate of Canada Post Corporation.

• (1320)

All of us have experienced the closing of retail postal outlets in our constituencies. Very frequently well-mannered and well-meaning people from Canada Post Corporation come to try and relay the news to members of Parliament and other people in the community. However, the decision makers hide behind walls, never coming into the community to understand the impact of what they are doing firsthand. I suspect there is a group of MBAs somewhere in the Canada Post Corporation who never go out into the communities. They look at maps and draw circles on them based on where population centres are and say: "Let us put a postal outlet here and let us close that one".

There is a seniors building in my constituency where the postal outlet beside the building was closed. They were forced to go to a new one over two miles away and across two bridges. That is an example of that failure to give consideration to the make-up of the local community.

There is the recent closing of public access to Station T in Ottawa. Members may know it has long been the main postal terminal in Ottawa. It has been a focal point for individual service as well as commercial service for many years. Access to transportation, parking and everything that has been there is suddenly closed and restricted to commercial users only without consultation with the community. I admit there was an effort to communicate to the community the fact that the decision had been made but the decision makers were never taken out from behind the thick walls and put out in the community to

discuss with the people, the customers, how they would be affected by the decisions that were being taken.

It is this kind of attitude that causes so much frustration on the part of Canadians. After all, and I think quite rightly so, when they buy a postage stamp they feel that they are paying a tax and that they are entitled to a level of service that reflects the fact that the post office exists not for the good of the management, not for the good of the executives, but for the good of Canadians for whom that it is intended to serve.

[*Translation*]

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, like my colleagues in the opposition, I am pleased to speak on Bill C-73. At the outset, let us put things in their proper place. The purpose of Bill C-73 is not to privatize Canada Post. This bill does not privatize Canada Post. It seeks to encourage employees to share in the profits of that corporation. Nevertheless, it is surprising to hear the opposition again trying to make the Canadian public believe, through disinformation, that we are privatizing Canada Post. If we were going to privatize Canada Post and if it could be privatized at this time, that would mean Canada Post is profitable in a way that shares could be sold and give a favourable rate of return.

What can the opposition have against this bill? What can the opposition have against the government presenting a bill that finally makes it possible for employees to buy shares in the company and share in its profits? What can the opposition have against something that the labour movement has been promoting for 20 or 30 years? For 20 or 30 years unions have been demanding that employees be considered an integral part of the company and share in its profits. We have been hearing that for 20 or 30 years and now that we are doing it, the opposition, in its traditional role of opposing everything, says that it is against this bill and accuses the government of wanting to use it as a way to privatize Canada Post. That is disinformation.

• (1325)

However, we must clearly understand the philosophy of our friends opposite and of our union leaders. Let me quote you a clause, B-6, from the national by-laws and policies adopted at the national convention in 1990. Clause B-6 says: "In line with opposition to industrial democracy, the union condemns any and all attempts by labour bodies to establish a partnership between labour and government or between labour, government and employers. Within the trade union movement, the union wants to promote and strengthen a militant and combative front with which to oppose any form of collaboration with management and government serving management's interests".

A little further, in Clause B-7 of the same document, we read: "—update a militant program of action for the labour movement geared to building the fighting strengths of the labour movement against the employer and government".

When such clauses exist in the national by-laws of unions representing the employees of Canada Post, we should really not be surprised that union leaders systematically oppose a bill whose sole purpose, I repeat, is to enable Canada Post employees to buy shares and share in the profits of the corporation.

The fundamental role of union leaders is to serve their members well. When we ask union leaders whether they will recommend that their members use this new plan, which is good for them because with it they can share in the company's profits and thus make more money, they answer that they will not recommend it because they would be co-operating with the employer and the government. The national by-laws of these unions forbid doing so. They have even set up a program showing union members never to co-operate with the employer. Then people tell us about the state of labour relations between the management of Canada Post and the union.

There are several examples of industrial democracy in Quebec, with Cascades Paper and other companies that have set up plans whereby employees share in their profits. Of course if you work for a company and are convinced that by working very hard with the other employees and helping the company make more money you will add to your income, in addition to your hourly or weekly wages, that is very motivating for the employees. I am very sorry that the opposition, again, and the unions through their leaders oppose a measure that leaves it

completely up to Canada Post employees whether they join this plan or not.

We know what Canada Post represents for the Liberal Party. For years when the Liberals were in power, Canada Post was one of the things which helped build up the national debt and deficit that they left us.

• (1330)

Canada Post, this great symbol of Canadian unity. The opposition uses Canadian symbols and national unity to justify almost anything, especially spending or managing with no consideration for those who pay, namely Canadian taxpayers. For years under the Liberals, we saw Canada Post management run up huge deficits which contributed to our national debt.

We must remember how the opposition, the Liberal Party, ran Canada Post. For them, it was a wonderful opportunity for patronage. At that time, Liberal members of Parliament could give people jobs in Canada Post. We know how the Liberals really see Canada Post. What is Canada Post? It is a mail delivery service for all Canadians. The basic purpose of such a service is to be able to deliver Canadian mail safely, efficiently and at a reasonable cost throughout the country.

In the latest opinion surveys conducted a few months ago on Canadians' satisfaction with Canada Post's service, more than 90 per cent of the users of Canada Post said that they were satisfied with the management and the service provided. It was not the members opposite, who systematically oppose all bills, who spoke in that survey or study but rather the Canadian people. Canadians are not asking for a post office in every municipality in Canada. They are just asking us to set up a system to deliver the mail safely and efficiently, at the lowest possible cost. This is what the management of Canada Post is trying to do. To reach this goal, it is quite essential to have in place measures for a better partnership between the management of Canada Post and its employees.

Since Canada Post was given the mandate to be profitable and well run, it has even found a way to turn a profit in recent years. I think that we must be for this bill because, despite what the opposition still says, it will not privatize Canada Post. I repeat, it will only give Canada Post employees an opportunity to increase their income by sharing more in the corporation's profits. I think that the opposition cannot help but be for the good of Canada Post employees and Canadian workers.

This is a good bill and I sincerely recommend that all members of this House support it for the good of the workers at Canada Post, as well as for all Canadians. Let us not forget that good labour relations and good service can only benefit all Canadians.

[*English*]

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I am very pleased to have the opportunity to speak on Bill C-73. I do not think this bill is being presented in the proper light. I think what we really have here is privatization of Canada Post. I do not see how it can possibly be looked at any other way. It is a privatization, with the government owning 90 per cent of the shares and the employees owning 10 per cent of the shares.

It is really just the first step by a government that does not have the courage to say what it is doing. It says it is a restructuring of Canada Post and it is merely giving the employees some equity in the corporation. That is not the case. It is a Crown corporation now. It will not be essentially a Crown corporation in the normal sense after this bill goes through, if it does go through.

• (1335)

I want to draw the attention of the House to section 27(2)(1). It says: "The corporation is authorized to issue to the minister and the minister is authorized to acquire shares of the corporation in substitution for the equity of the corporation held by and on behalf of Her Majesty in right of Canada".

The government is giving up its equity in the traditional sense of a Crown corporation and is being issued shares the same way anyone would be issued shares. The only difference is that the government is being assured it will get 90 per cent of the shares.

This is only a first step. There is really nothing that is going to lock the government into maintaining 90 per cent of the shares. Those shares will invariably, over a period of time in the not too distant future, go to the private sector. I cannot stress that too much.

The government is trying to put something over on the Canadian people once again. It is not fair. It should be called what it is, the first step in the privatization of Canada Post.

The government is going to get 90 per cent of the shares. The employees are going to get 10 per cent of the shares. Be assured there is really not a great deal of rejoicing among the employees of Canada Post about this. While they are given the shares, the employees are not allowed to vote. The shares are not fully participating and do not have the benefits they should.

The government is giving itself 90 per cent of the shares through Canada Post and giving the employees 10 per cent of the shares, but it is not letting them vote or have any say in the running and operation of this company.

That is absolutely unacceptable. The government and Canada Post have not learned one thing in the last eight years about the operation of this company. Not only are the employees not participating or voting, but there is no step being taken toward integrating the employees into the mainstream of the corporation. Canada Post still has the worst employee-employer relations in the country. I do not believe there is a company in Canada that has a worse employee-employer relationship than Canada Post.

It is quite prepared to give shares to the employees if they do not have any say in what they feel should be happening other than by perhaps dropping something into a suggestion box. This is totally unacceptable.

It is bad enough that there are no employee representatives on the board of directors of Canada Post. That has been put forward over a considerable period of time. One would think that a group with 10 per cent of the shares would at least have some say on the board of directors, but no. I understand there was a representative on a trial basis a few years ago but that was dropped. This is absolutely incredible.

What is the government hoping to achieve? I think it is hoping to disguise what is really the first step in the privatization of Canada Post. It will not be long before the government shares are sold to other parties.

Then of course the fears of Canadians will be even greater. Right now people from coast to coast to coast in this country are absolutely apoplectic about the record of Canada Post with respect to service in their communities.

Canada Post is still trying to reduce the number of post offices, staff and service. If the service were heightened to the rural areas that would be one thing, but it is not. Canada Post. The Government of Canada cannot go on continually thinking that rural Canada does not count for anything in this country.

• (1340)

The postal service is one of the precepts on which this country was built. It was one of the reasons for coming together in Confederation in 1867. Yet this glue which we initially had at Confederation has been melted down. It has been done away with gradually over a period of time and the process is still continuing.

There has to be an acknowledgement, a dialogue between Canada Post and the government on the one hand and the employees and the people of Canada on the other. There is an ivory tower approach that is not working. This bill is not going to help matters at all. It is not disguising what the government is trying to do. It hopes to show it is giving a significant benefit to the employees, has turned over a new leaf and is moving in a new direction. Well, it is continuing along in the old direction, contrary to the interests of the employees and certainly contrary to the people of Canada.

If this government and Canada Post feel that because most of the post office closures took place a while ago the people of Canada have forgotten, they are going to be very surprised indeed. The people of Canada have not forgotten. In fact the people of Canada are marshalled and awaiting the next arbitrary move of Canada Post. Certainly in my riding people do not want any further closures or reductions.

We need the post offices in our communities. Thanks to the depersonalization this government has brought forward in the country, we do not have enough of a focal point to keep the sense of community alive to the degree which we want in this country today. Post offices are vital in maintaining that, and probably more vital right now than ever before in the history of this country.

We need these post offices. They provide service and are the focal points of our communities. They provide what people want. People know what service they want. They are paying for service and they want the service that is in their interests. They want Canada Post to keep

the post offices alive and operating in rural Canada. They want Canada Post and the government to come clean and acknowledge the importance of these post offices instead of putting forward legislation like this that is designed to disguise another intention completely.

Mr. Joe Fontana (London East): Mr. Speaker, it is my privilege to speak to Bill C-73, a bill to amend the Canada Post Corporation Act.

Most of my colleagues have already touched on the obvious concerns we have with respect to this legislation, but let us be really truthful with Canadians and tell them what this bill does and does not do.

The government is not really serious about dealing with the real issues of Canada Post and there are many. We all know them because we hear from our constituents who are sometimes not very pleased with the service. We hear from employees who tell us things are not as they should be in the Crown corporation. Yet the government proposes four measly pages of amendments to Canada Post which deal with only one aspect of the Crown corporation, to allow employees the opportunity to buy into the Crown corporation that Canadians already own.

• (1345)

I am not sure that is the real issue Canadians have with Canada Post, at least the ones I have spoken to. Canada Post is owned by Canadians. It is a Crown corporation 100 per cent owned by the government and therefore owned by Canadians.

If Canadians had an opportunity to sit on the board of directors of Canada Post, I think they would try to tell the government and management who initiate the directions of Canada Post that service is the key concern of Canadians, whether they live in urban centres, small towns or rural Canada. Even the parliamentary committees of this House have tried to deal with this issue.

The small business community needs to be reassured that the Crown corporation is dedicated to moving the mail so it can deal with its businesses. We know what has happened in the past number of years. There has not been a great vote of confidence by Canadians in Canada Post. Businesses and people have looked elsewhere to other corporations and businesses for exactly the kind of service Canada Post is meant to give.

Unfortunately, I am not sure the government is dealing with the real issues of the day in its relations with Canada Post. It is a sham that it put four pages forth. I guess there is nothing wrong with an employee purchase plan. It is a new way to bring employees into the corporation. But employees must be more involved than just having the opportunity to purchase shares in the corporation without the benefits of ownership of those shares. When one buys shares in a company, one should have a say at the table in how the corporation is run.

They are not voting shares that the employees would buy. The bill does not talk about the purchase or the value of the shares, the assets of the corporation. How will it distribute dividends and profits? This is something most investors and shareholders would want to know before they invested.

I am not sure this bill even defines what an employee is. It may not be an opportunity to buy shares but a bonus plan for management and executives.

I think Canada Post ought to deal with the real issues of postal delivery in this country. As my colleagues on this side have indicated, it should not prepare another Crown corporation for privatization. We have seen it. We saw the closures of postal offices across the country in rural Canada and small towns. We saw the decimation of services in urban centres. Most new homes now receive their mail at community mailboxes.

We have set up different classes of citizenship in this country as they relate to postal service. If you were lucky enough two or three years ago to own an older home, mail delivery is at the door. If you recently bought a new home, you now have to go to a community mailbox to get your mail. I am not sure that is equal service. The act calls for equal service to all Canadians.

Winter conditions in the months of December, January and February make it very difficult for those with community mailboxes to turn their keys in those small locks. They are supposed to be foolproof. There are not supposed to be any problems getting into the boxes, but that is a lot of bunk. We all know that. If you do not, come to London, Ontario, and try to get into mine. See if

you can open those doors. You have to carry a little can of de-icer with you to get into your mailbox.

I want to get back to the real issue about Canada Post. Canadians want equality of service, quality service, affordability and reliability. That is what Canadians expect of their Crown corporation. We have not received that. In fact the prices of stamps and other services that are charged by Canada Post do not equate the services we now get.

• (1350)

There is another serious issue that I think needs to be addressed. If the government and the executives and management of Canada Post are really serious about improving service to Canadians and making it more reliable and affordable, they ought to learn how to work with their employees and not against them. While they may say they are going to offer employees the opportunity to purchase shares because they are really committed to working with their employees, we all know the problems with Canada Post and its labour relations.

There are 100,000 grievances now under way within the system. That does not indicate that things are nice and cosy there. The problems with productivity and providing and delivering a good service to Canadians mean there needs to be mutual respect between management and labour, to work together toward the common goal. That common goal is to serve Canadians and give them the postal service they have bought and paid for through their taxes, user fees and cost of stamps. The management of Canada Post should devote its true attention to working with the employees toward the same goals. I am not sure it has done that. In fact, I think it has done the reverse.

Great productivity can be achieved in this corporation if it is prepared to work with its employees. They should be given the opportunity to give their good ideas on how to improve the service and deliver the service equally across the country. I am sure the employees are prepared to work with Canada Post if they are given the relationship.

Unfortunately in my area of London, Ontario, in the past four years since I have been the member for London East, I have had a number of complaints about labour-management difficulties that have been very hard to handle. There was a suicide directly related to how management deals with employees who have been injured on the job and how they are treated in terms of wanting to come back to work at Canada Post.

I had hoped the government would have taken the issue of Canada Post a little more seriously than to produce a four-page scam on how to involve the employees of Canada Post in the running of the Crown corporation named Canada Post. The truth of the matter is that this is not what this bill talks about at all. We should be getting back to the real issue of Canada Post, which is to deliver reliable, quality, affordable and equal service across this country. The government is playing with smoke and mirrors with the employees as well as Canadians by saying this is the answer to all our problems and ills with Canada Post.

I think it is a lost opportunity by the government to deal with the real issues and listen to the parliamentary committee that dealt with Canada Post and heard from Canadians across the country, including small businesses, which want improvements to a Crown corporation they do not want privatized. They want Canada Post to remain Canada Post, a Crown corporation. I am sure people will really see this bill for what it is. It is really preparing Canada Post for eventual privatization. It will be put into the hands of so-called business people who will not care about what kind of service rural Canada, urban Canada and small town Canada gets.

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I think you will find consent for the following motion:

> That the House continue to sit today beyond the hour of daily adjournment but no later than 9 a.m. on Tuesday, March 9, for the consideration of Bill C-114, until all questions necessary to dispose of the second reading stage of the said bill are disposed of, provided that no dilatory motion or quorum calls shall be deemed receivable during the extended sitting and that any requested division shall be deferred until 6 p.m. on Tuesday, March 9, that at the end of debate on second reading of Bill C-114, the House shall stand adjourned until Tuesday, March 9, at 10 a.m.

• (1355)

[*Translation*]

The Acting Speaker (Mr. DeBlois): Does the parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): There is no unanimous consent.

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, in that case, I believe there is unanimous consent for moving the following motion:

That the House continue to sit beyond the ordinary hour of adjournment today.

The Acting Speaker (Mr. DeBlois): The House has heard the terms of the motion. Is there unanimous consent?

Some hon. members: Agreed.

Motion agreed to.

[*English*]

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization): Mr. Speaker, I realize the clock is moving and time is limited but I would like to say a few words in this debate.

I have been listening to the debate with great interest. I am delighted to say some of the speakers have even spoken to the bill that is before the House, which I think is very encouraging to see for this place.

I just listened to my hon. friend from London East as he went on about postal services and described this bill as a scam.

I have to say that having read the legislation, I think it is a wonderful opportunity for the employees of Canada Post to have a stake in their company. I do not know why my hon. friend would think that is such a heinous, villainous thing. He talks about voting shares on the board. In fact the procedure by which this program was established is very similar to that which exists in most employee stock plans, so there is nothing unusual there.

I was equally amazed earlier in the debate to hear my hon. friend from Thunder Bay speaking against this legislation. I know from time to time it is hard to fathom exactly what the policies of the Liberal Party are but usually, whether we agree or not, we at least know what the policies of the NDP are. The member's good friends in the Government of Ontario have recently brought in Bill 150 to make this kind of employee stock savings plan available to employees of corporations in Ontario. I also noticed that the Government of British Columbia is doing a similar thing, therefore I thought the New Democratic Party would have roundly endorsed this legislation. I must say I am a little bit bewildered trying to figure out exactly what it is doing.

Much of the discussion here is centred around issues of postal service and so on, but everybody who is a member of Parliament has to deal with the fact that some people are not happy with the quality of service they receive from Canada Post. I mailed a letter last Monday and was disappointed to find out that as of last night it had not arrived yet in Toronto. However, these things happen from time to time and surely to goodness we have to take a look at the over-all quality of service as well.

Rural and urban issues also come up from time to time. All rural members in this Chamber have had to deal with the issue of the closure of rural post offices. It is very difficult. It is not hard to discover as a rural member that there is a real urban focus in this government and not just in Canada Post. The people who develop the legislation and programs are urban based for the most part. That is reflected in many of the issues that come before this House and in the legislation that frequently reflects an urban rather than rural bias.

As members of this House, it is also our responsibility to assist our constituents from time to time in understanding the changes that are taking place. The fact of the matter is that the role, function and purpose of Canada Post is to deliver the mail. If that does not happen expeditiously and on a for value basis, we have a right to complain and criticize.

I think nothing has been more destructive to the quality of mail service in this country than the labour-management relations that exist within Canada Post and the perception on the part of many Canada Post employees that the company is the enemy. They do not feel they have a stake in the company. I think that has been a large part of the problem in Canada Post. That is being addressed in this piece of legislation. It is an effort to bring Canada Post employees closer to the company so they feel they have a stake in it and are a part of it.

There has been some suggestion that this legislation is not adequately specific with respect to how this plan would actually work. Obviously it is up to the employees of Canada Post to meet with the company to work out the details of it. This is a piece of enabling legislation that makes it possible for that to take place.

This legislation is going to make Canada Post do what it is supposed to do, that is improve services to Canadians. I heartily commend the concept that Canada Post employees be allowed to have a share in their company and commend the legislation to all members.

Mr. Speaker: It being two o'clock p.m., pursuant to Standing Order 30(5) the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

TELEFILM CANADA

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I rise to draw attention to media reports which indicate Telefilm Canada and the National Film Board are considering funding a film about the 1970 October crisis.

The proposed film, entitled *Octobre*, is based on a book written by Francis Simard, one of the four people convicted of participating in the abduction and murder of Quebec cabinet minister Pierre Laporte.

I and my constituents profoundly disagree with the actions Telefilm Canada has taken in support of this project. In 1984 this federally funded agency paid $9,000 to Mr. Simard for the film rights to his book. As well, $24,000 has been paid to director Pierre Falardeau to assist in script production.

A positive decision to provide a reported $1.2 million in production funding for a sympathetic portrayal of criminals, terrorists and assassins would be repugnant to the overwhelming majority of Canadians.

I want to add my voice in support of others who have already spoken out against federal funds going to this project.

HOUSING

Mr. Joe Fontana (London East): Mr. Speaker, despite a modest increase in February housing starts, which are still below normal levels, a government survey recently indicated a full-scale recovery in the home building industry will remain elusive due to a lack of consumer confidence and tens of thousands of construction workers are still out of work.

In Quebec, home builders have resorted to creating their own social programs to rectify this chronic economic insecurity. Their industry association is offering new home buyers an insurance policy against job losses. These Quebec builders are fighting the real enemy, which is an economy that shows no hope of providing long-term employment stability or improved opportunity.

Federal incentives and lower interest rates are responsible for the slight improvement in housing starts and these initiatives have been welcome, but the statistics also reveal that without socially assisted housing the housing construction sector would have continued in recession.

Despite this government's insistence that Canada is enjoying a healthy recovery the statistics tell the real and true story. The government should act now to introduce policies that promote a stable economy with long-term employment opportunities for all.

* * *

COMMONWEALTH DAY

Mr. Girve Fretz (Erie): Mr. Speaker, today is Commonwealth Day. I would like to read part of the message from Her Majesty the Queen, the head of the Commonwealth. She says:

> This year on Commonwealth Day, I am asking you all to think about human values. I know from the many letters I receive from young people that their generation cares deeply about the rights of the individual, about the sufferings of others and about making a better world for us all to live in. I believe the youth of the Commonwealth is well placed to give a lead in showing how human values can be improved.

She goes on to say:

> None of this is easy to bring about because the establishment of human values implies duties as well as rights. If we want to exercise and enlarge our rights and opportunities, we have to safeguard the rights and opportunities of others. We should look for chances to give service just as eagerly as we look for benefits for ourselves.

The young people of the Commonwealth have their future in their hands. May they keep their vision of human values alive and their determination to achieve them undiminished. And may our fifty nations, sharing our experience and working together to enhance the quality of life, send an example to the rest of the world.

* * *

FOREIGN AID

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, in addition to Commonwealth Day today is International Women's Day, a time for everyone to recognize a woman's contribution to society and her struggle for social justice around the globe.

I find it painfully ironic, if not hypocritical, of this government to tout the status of women internationally, and yet at the same time slash ODA funding to the tune of $220 million this year.

Canadian aid is primarily aimed at the poorest of the poor, and typically women need our help the most.

• (1405)

In fact, the head of the UN Development Program has advised this government that poverty is the greatest threat to international peace and security. Even the member for Rosedale, a former ambassador to Ethiopia, is speaking against his own government to preserve Canada's aid budget.

Why does the minister herself, someone with a strong reputation for promoting development programs for women, not show equal courage and stop the cuts now? Why is she allowing this government to discriminate against women?

* * *

HIS HONOUR YVON DUMONT

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I had the opportunity this Friday past to attend the swearing-in ceremony of His Honour Mr. Yvon Dumont as 21st Lieutenant Governor of the province of Manitoba.

It was a very emotional ceremony, with the Manitoba legislature packed with distinguished guests and well-wishers for the first Métis Lieutenant Governor. Her Majesty chose well in her selection of a dignified individual and a representative of a community which is a very special part of Manitoba's heritage.

In closing, I would like to acknowledge to the House the special efforts of the Hon. George Johnson, who has just retired as the Lieutenant Governor of Manitoba. His Honour carried out his duties in an unselfish and dignified manner. All Manitobans and Canadians owe him a debt of gratitude.

* * *

EMPLOYMENT EQUITY

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, on March 8, 1908, over 15,000 working women marched in New York City to end child labour and brutal and dangerous work places and to fight for equal pay.

On this International Women's Day, 85 years later, over 70,000 women public service employees in Canada are still waiting for pay equity. Canadian women, aboriginal people, visible minorities and people with disabilities have made strides on employment equity, but there is a long way to go.

The Employment Equity Act does not fine employers for discriminatory hiring or promotion practices; it merely fines employers for failing to file reports. Yet this government has not responded to the recommendations of the Special Committee on the Employment Equity Act, even though it was due four months ago.

Eight years after the Tories promised pay equity to their own employees they still have not delivered. When will this government understand that Canadian women deserve far better than broken promises?

* * *

SELF-EMPLOYMENT ASSISTANCE PROGRAM

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the Colchester Regional Development Agency in Truro, Nova Scotia, has applied to Canada Employment and Immigration for the Self-Employment Assistance program. The Colchester area is surrounded by others that have qualified for the SEA program and it is clear it is very successful.

Under this program people on social assistance or unemployment insurance can qualify for assistance to allow them to start up their own business. Although

Colchester has not been able to qualify for the Community Futures Program, as has its neighbours, it is urgently requesting that it qualify for the SEA program.

It is predicted that Colchester will benefit just as much as the surrounding counties have and this is an essential part of the community-based economic development plan for the future as outlined by the Colchester Regional Development Authority.

I strongly urge the Minister of Employment and Immigration to find ways to rectify this inequity and provide the SEA program to Colchester county.

* * *

LABOUR UNIONS

Mrs. Diane Marleau (Sudbury): Mr. Speaker, last Thursday the largest local in this country's most politically active union voted to sever its ties with the New Democratic Party and deprive it of $40,000 a year.

Why should 100 per cent of union members be forced to contribute to the NDP when support for the NDP is less than 20 per cent? The range of political beliefs is as broad within the union movement as it is across the country.

Why should unionized workers in the rest of the country continue to donate funds solely to the NDP any more than the workers of Oshawa, which is the heartland of the NDP in Ontario?

Workers take notice. They have the right to fund or not to fund whatever political party or candidate they wish, and not necessarily the party of the union bosses. We live in a democracy and this is an undemocratic way of funding one political agenda. They should donate funds only if they wish and to those they support. There should be no political check-off and it is time to implement these changes.

* * *

• (1410)

[*Translation*]

INTERNATIONAL WOMEN'S DAY

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, today is International Women's Day.

Today's theme of women's rights are human rights, urges us to reflect on the status of women throughout the world and women's most basic rights. Canada has long played a leading role in this field. On the international scene, we have exercised strong pressures to ensure that women's rights and participation by women in development are put on the UN agenda.

We have made women's involvement in development one of the main priorities of our development program, especially in traditional areas such as agriculture, safe water supply, credit and small business.

In many countries, progress is being made in providing women with an education and jobs and also in advancing the cause of civil and political rights for women.

International Women's Day gives us a chance to consider these achievements, as well as what remains to be done. It also gives each and every one of us an opportunity to consider what we can do to further this important cause.

* * *

INTERNATIONAL WOMEN'S DAY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, today on International Women's Day, the New Democratic Party is proud to announce that its affirmative action policy has been very successful.

Our policy provides for measures to help women, native people, members of visible minorities and disabled persons obtain the party's nomination.

The outcome of nomination meetings is not predetermined. The democratic process is respected. So far, out of 103 candidates selected, more than 51 per cent of new candidates are women. The Liberal Party, with its undemocratic nominating system, is struggling to get to the 25 per cent mark.

* * *

[*English*]

SEXUAL OFFENDERS

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, Canadians are concerned that they are being unfairly put at risk when dangerous sexual offenders are released into the community.

As a result police forces across the country are deciding whether to release the names of such dangerous offenders. However, groups such as the Elizabeth Fry and John Howard Societies warn that such policies

could be ineffective, could prove dangerous to released offenders and could violate civil rights.

In Ontario the provincial government has asked police forces to wait for a directive on this issue before deciding whether to release names.

Police forces across the country need guidance on this matter in order to make decisions which are legal, which are ethical and which protect the community.

I urge the Solicitor General to work with his provincial counterparts and community police forces to develop a policy to assist police forces in this matter.

* * *

THE DEPUTY PRIME MINISTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, guess who is making news down under? Our own Deputy Prime Minister, the member for Vegreville.

Why is he in the news? Well, poor little Mazzy is offended by a statement made by the Australian Prime Minister who told the truth when he said that our Prime Minister's resignation was evidence that consumption taxes, the GST for short, are unpopular and do not work.

In protest our valiant Deputy Prime Minister wrote a letter to the Australian PM in which he stated: "The GST had encouraged strong growth prospects and had fuelled recovery in Canada".

Can you believe it, Mr. Speaker? What planet does he live on?

To further impress the Aussies our deluded crocodile Maz added: "Any misrepresentation of the reasons for the Prime Minister's decision to step down would be unfortunate".

In the Tory fairyland Canadians just love the Prime Minister and his GST. Earth to Maz, it is a little different down here.

* * *

INTERNATIONAL WOMEN'S DAY

Mrs. Dorothy Dobbie (Winnipeg South): Mr. Speaker, today is International Women's Day, an appropriate time to reflect on the role of women in today's society.

We have indeed come a long way from the world that existed when we were first enfranchised in 1916. We are now super beings who juggle housework, children, husbands and demanding careers in a world that expects us to look good, act good and be good. Yet we are still measured by male standards that have little to do with our reality.

• (1415)

To manage, women have to be more direct, more energetic and more goal-oriented. Men who have created an elaborate set of rules applicable to their own needs often misread women's high-speed activity as inappropriate aggression. They then label us as viciously ambitious and erect defences to keep us out of the competition.

Relax, fellows. We are not out to get your jobs. We just want to be your partners and apply our broader perspective and our intuitive thinking to the day's complex work. We still need you but fellows, you still need us and together we can make a formidable team.

* * *

NOVA SCOTIA ECONOMY

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I realize today is International Women's Day and certainly from experience, I know how hard women have tried to integrate.

I bring to the attention of the House today the annual report of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act. It is not the first time people from Nova Scotia have questioned this little fund that helps one politician and maybe a couple of provincial politicians as well.

Canadians want government to spend money wisely. It is their taxes. But what did this government allow? The Wood Island ferry related infrastructure, Pictou Industries wharf facilities, Trenton multi-use user wharf facility, a highway connector for Trenton's connector highways, a park, other things.

That is not spending Canadian taxes wisely in one little area under the auspices of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act which would have, had it been properly administered, created the jobs that were needed in Nova Scotia. It has not gone to that.

As a woman I look at those jobs and I do not see them being created by this government. It is time for a change.

* * *

MARY PITAWANAKWAT

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, a Canadian human rights tribunal ruled in favour of Mary Pitawanakwat in her racial and sexual harassment case against the Secretary of State. However, the tribunal blamed her for part of the abuse and did not award her much compensation.

It has been established that her superiors at the Secretary of State office dealing with aboriginal programs made comments such as "Indians are savages," and made jokes about being scalped.

Ms. Pitawanakwat, an aboriginal woman, was fired seven years ago. Since then her superiors whom the tribunal found grossly negligent have been promoted. There is something very wrong in this case.

I urge the government to ensure that the Public Service does not reward racism and punish the victims and that an independent system of choosing tribunal members who are fully reflective of the Canadian population is implemented immediately.

ORAL QUESTION PERIOD

[*English*]

CHILD CARE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Acting Prime Minister.

The government's printing presses today have been busy rolling out releases extolling the progress made by women which shows only that the public relations office of the Tory dynasty is much more effective than its actual policies.

The real important document is a Statistics Canada report which shows that while women are increasingly making more of a contribution to the economy, programs supporting families are falling substantially behind. According to the Vanier Institute this is causing increased stress, pressure and exhaustion for women in this country.

How can this government easily find close to $6 billion for unnecessary, unwanted helicopters and yet renege on its commitment for a proper child care strategy to help the families of Canada?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Mr. Speaker, today indeed is International Women's Day and a day when we celebrate the advancements women have made in this country and the work we are doing all around the world to help women reach equality.

In fact some very positive and good signs women have to look at are their increasing numbers in the work force, their increasing role in management and their increasing presence in every area of public life.

Some of the issues women are concerned about today relate both to education and increasing their enrolment in many of the areas of science and technology and the balance of work and family. In that area the federal government plays a role. The provincial governments play a primary role, but employers also play a role in ensuring that their policies are compatible and enable women to participate effectively and equally in the work force throughout this country.

• (1420)

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I do not think that was an answer to my question so I will ask a supplementary.

[*Translation*]

The hon. member for Rosedale, a distinguished member of this House and the Conservative government, said that recent cutbacks in aid to Africa were stupid. These programs provide assistance that is directed mainly to women and children.

The Prime Minister promised more aid in Rio, but six months later, he is cutting back assistance to the poorest countries.

Why is the government spending money on helicopters and not on women and children in the Third World? Does the Prime Minister think he can maintain the Tory dynasty by forgetting Canadian women and women throughout the world?

[*English*]

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. gentleman knows the government is spending money both for defence purposes and for helicopters so we can have improved search and rescue services to rescue people on the seas and elsewhere. The government is spending money for women and children on improved child tax benefits and a whole host of other programs.

I notice the hon. member's leader has expressed grave concern about the deficit situation in the country and is promising to reduce the deficit if and when he gets into power, as unlikely an event of course as that is. Perhaps the hon. gentleman will tell us where he is going to cut if and when he ever gets into power with his leader who says this is one of his objectives.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, among many positive suggestions made by the leader of the Liberal Party one is to cut the helicopters and save $6 billion for Canadians.

In a Gallup poll published today, more Canadians than ever before believe that women are getting a raw deal in our society and that there is less equality today than there was six years ago. They know that the economic programs of this government have worked against the interests of women by cancelling UI rights, by cancelling women's programs, by putting a million children into poverty.

I ask the Acting Prime Minister or whichever minister is going to answer, when speaking of a Tory dynasty does it mean there will be a continuation of poverty for close to 20 per cent of women? Does it mean there will be a continuation of poverty for a million children? Will there be continued cuts in social assistance, women's programs and foreign aid? If this is a Tory dynasty, thank God it is about to end.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. gentleman is showing somewhat more erratic tendencies than he normally does today. He is probably upset by the fact that our party is going through a metamorphosis and will probably be unrecognizable within the next several months.

The hon. gentleman suggests if we did not enter into a contract to purchase helicopters that there could be a $6 billion saving over the next 30 years. Will the hon. gentleman tell the House how he is going to achieve the $17 billion a year saving that his leader tells us he is going to achieve if and when he comes to power and he abolishes the GST? How will that $17 billion a year saving be accomplished, or what other taxes will be increased to make it up?

Could the hon. gentleman enlighten the people of Canada so they will know exactly what might happen to them if the hon. member's party ever gets into power?

* * *

NATIONAL DEFENCE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, we now have the dinosaur speaking for the dynasty. My question is for the Minister of National Defence.

When women employees of National Defence asked to put up an information booth on pay equity for International Women's Day, the commandant of the National Defence Medical Centre said no. What is worse, the commandant showed a shocking contempt for the law when he said in writing that he was not fully in support of equal pay for work of equal value and that women should get into high paying trades if they wanted more money.

What has the minister herself done to tell this senior officer and others that such attitudes will not be tolerated?

• (1425)

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I have not been made aware of that particular set of circumstances. I thank the hon. member for raising the point. I will be very happy to look into that. The women involved have not made me aware of it and I am open to their communications.

It is important to point out that Canada ranks second in comparison to all NATO countries in the number of women in our Armed Forces. It has been a challenge to change attitudes and to ensure that women serve with equality in the Armed Forces.

I give an enormous amount of credit to my colleague, the former Associate Minister of National Defence, now the Minister Responsible for the Status of Women, in the work that she did in charge of personnel in the

Armed Forces when she was the Associate Minister of National Defence.

Our policy is obviously the full equality of women in the Armed Forces. That continues to be our policy and we will work toward that.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary is to the same minister. If she is too busy applying for a new job to look after employees in her own department, let me table a letter she received nearly a month ago. This has been followed up by repeated phone calls to her office.

[*Translation*]

I would like to ask a supplementary question. This letter mentions very serious payroll discrimination against women in her department, the kind of discrimination that costs many women as much as $15,000 annually.

I wonder why the minister has not taken any action to stop this discrimination.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, as I said before, it is Canadian forces policy to ensure that women are equal in the Armed Forces. I have a keen interest in the situation to which the hon. member referred, and I can assure her that I will take appropriate action.

* * *

[*English*]

VIOLENCE AGAINST WOMEN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, every day thousands of Canadian women are battered, beaten and raped. One out of every two women who arrives at a shelter with her children is turned away because of lack of space.

This government is spending over $11 million for a panel on violence against women, almost $2 million for a telephone survey and more money on research. At the same time it is cutting back on shelters for battered women with its multibillion dollar cap on the Canada Assistance Plan.

Why is this government paying people to tell it what we already know, that violence against women is a problem? Why is this government at the same time cutting and chopping away at the necessary services for battered women and their children?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Mr. Speaker, I am rather surprised at my hon. colleague's question on this account. Surely she recognizes, as I and women across this country do, the importance of developing a national action plan to deal with violence against women. It is a plan which will bring together governments, non-government organizations, communities and women to eliminate violence against women in all its respects throughout this country.

In order to do that it is necessary to provide the appropriate information and develop that plan. I am sure the panel will bring forward that plan over the next few months. However, in doing its work the panel has gone to over 100 communities in this country. It has already initiated the kinds of changes required to deal with the issue of violence against women in their homes and on the streets. The development of the community action program is an important part of it.

Let me remind my hon. colleague as well that part of the $136 million federal family violence program is indeed going to support additional spaces and shelters and second stage housing programs for women who are victims of violence.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, the reality is absolutely indifferent to that. There have been cuts to the Secretary of State women's program. There is the elimination of the family allowance program. There is the reneging on the child care in this country and the breaking of pay equity promises. There have been cuts to training for women, cuts to unemployment insurance for women, the elimination of social housing, cuts to the existing child care services and yes, cuts to services and shelters for battered women.

When this is contrasted with this government's commitment of—

Mr. Speaker: I would ask the hon. member perhaps to put the question.

• (1430)

Ms. Black: Mr. Speaker, when you contrast this to the commitment to 50 sub-hunting helicopters, it is incredible. A strong economy cannot be built—

Some hon. members: Question.

Mr. Speaker: The hon. member may have a question but I have not yet heard it.

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Mr. Speaker, we are dealing with a very serious issue which should be dealt with on the basis of facts and reality.

If we look at the situation of Canadian women today, we should give them credit for the work they have done and for the advancement they have made. The wage gap is closing. More and more women are going into science and technology. The situation of women in Canada is almost without comparison around the world.

This has been as a result of the work of governments and women on the front line so that we can achieve real equality. Let us work together. Let us not be shouting at each other over these issues. This requires the concerted efforts of all of us to achieve the common goals of equality for men and women.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, specifically, women's groups have documented 14 cases of women in Canada facing deportation. Some are facing domestic violence in Canada and some state and domestic violence from abroad.

I want to ask the minister responsible for immigration this. When fully 80 per cent of the world's refugees are women and children and two-thirds of the refugees accepted in Canada are men, will the minister take this opportunity on International Women's Day to announce a moratorium on the deportation of women who are battered? Will he take the opportunity today to announce a Canadian policy to provide safe haven for women and children in Canada?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member raises an important issue. It is one that a great many Canadians are concerned with.

As the hon. member knows, in January of this year I instructed my officials in the department to conduct discussions with interested individuals and groups across Canada with the objective of developing a consensus on how we as a country could deal with women who claim to be victims of persecution or violence.

We are the first government ever to introduce into the Immigration Act, which that party opposed by the way, a protection and authority to require for every refugee claimant who faces harsh or unusual circumstances in her country of origin that the decision of the IRB be reviewed.

I think this is a positive step in addressing the concerns of the hon. member.

* * *

HELICOPTERS

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of National Defence.

On February 25 in response to a question I had asked the minister about the EH-101 cold war helicopters, the minister stated that a cancellation of the project would mean "a loss to Canada's search and rescue capability".

Is it not true that the EH-101's tremendous down draft can literally blow away any person the crew is intending to rescue? Will the minister not admit it is true what a defence analyst by the name of Dale Grant wrote last week, that the EH-101 will "blow away anything floating in the water below it"?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, that is not true.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the minister should be aware that in her own dossier she will find reports indicating clearly and unequivocally that there is not a country in the world that uses this type of helicopter for search and rescue purposes. The minister should know that.

My supplementary question is for the same minister. On February 3 in this House the minister was not able to inform the House what the extent of the penalty clause

would be with regard to the cancellation of this particular project. I now take this opportunity to ask the minister if she would indicate to the House the extent of the penalty clause.

How much of that money will go to the vendor? How much money will go to the various lobbyist groups that are working on behalf of that particular vendor?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, when the hon. member talks about lobbyists that are working for that, he should remember that the key lobbyist for the EH-101 is a member of the transition team of the Leader of the Opposition.

Some hon. members: Oh, oh.

• (1435)

Mr. Dick: When the hon. member mentioned that no other country in the world uses that helicopter for search and rescue, he is absolutely right because the helicopter has not been built yet.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, once again the minister who just spoke has earned his well-deserved reputation for never letting the facts stand in the way of the truth of a good accusation.

The helicopter has been built. It is shameful that the minister does not know it. There are five of them flying. One month ago, one of them crashed. This minister is an embarrassment to the notion of responsible government for not knowing that about a $6 billion acquisition.

I want to ask a question of the minister who is responsible, the Minister of National Defence. On February 25 the Leader of the Opposition urged the minister of defence to look at the cancellation of this procurement project. The minister said it is not "an unnecessary expense. It is very important for our Canadian forces".

I want to ask the minister of defence whether she is aware that the Italians, who make up one-half of the British-Italian consortium, have reduced their own helicopter order of the EH-101 from 36 aircraft to 16. They have sliced their own order by more than half.

In short, why is Canada the biggest single recipient of a helicopter which one-half of the consortium has now reduced its order for by over 50 per cent? Why are we funding technology and industry in Britain and Italy and refusing to create jobs here at home?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, first of all, the purchase of the EH-101 helicopters will create 45,000 person-years of employment in Canada, particularly in industries which are 21st century industries that employ women as much as they employ men.

In other words, the industrial benefits of this contract are very important for Canada. I cannot speculate on why the Italian government does or does not make the purchases that it makes.

The EH-101 has been ordered as a shipborne helicopter for our frigates. If the hon. member is suggesting that we should cut back on the purchase of the EH-101 shipborne helicopters, then the natural corollary of that recommendation would be a reduction in the number of frigates that we buy for the Canadian navy.

I think this is something that we should review. I am very happy to hear the views of the hon. member. If he is of the view that this helicopter should not be bought for search and rescue, I would like to know which of the specifications of the EH-101 search and rescue capabilities the hon. member thinks are expendable in order to save money.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the minister is not answering the question. Let me give her another opportunity.

This project was announced in 1986 at a cost then of $2 billion. By 1988 the cost was $2.3 billion. By 1991 the cost was $4.4 billion. Two weeks ago we were told, and the government acknowledged, that the cost had gone up to nearly $6 billion.

I want to ask the minister again. I want her to think seriously about this because Canadians are thinking seriously about it. Why is Canada purchasing more of these helicopters than all the other nations of the world combined? Why in particular are we saying that we can afford this Cadillac extravagance in terms of a helicopter when there are cheaper alternatives and when the Government of Italy, one-half of the consortium, has reduced its order from 36 to 16?

Madam minister, it is a serious question. Give us a serious answer.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am sure the Government of Italy will be very flattered by the

suggestion of the hon. member that we should allow it to make our defence policy.

The fact of the matter is we buy this helicopter because it has specifications that are required for Canada. The last time I looked, Italy did not have the longest coastline in the world as we do. It does not have to conduct search and rescue operations in icing conditions and high wind conditions.

• (1440)

An hon. member: What about Hibernia?

Some hon. members: Oh, oh.

Ms. Campbell (Vancouver Centre): Mr. Speaker, this is a very serious question. I would like to give one example of why the specifications of this helicopter are important. Icing conditions often restrict the search and rescue helicopter response in this country. On December 16, 1990, when the fishing vessel *Nadine* sank in the Gulf of St. Lawrence, CH-113 Labrador crews were delayed nine hours by weather and icing conditions. Seven people died in this tragic accident. The EH-101 could have flown in this weather.

* * *

CHILD CARE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the government makes choices and its choice is helicopters. Our choice is day care centres.

I would like to point out that Statistics Canada reported last week that two-thirds of women with a child at home under the age of six were also in the paid labour force, a growth of 20 per cent in 10 years. There has been no subsequent growth in child care spaces. The child care program is a critical addition to Canada's social infrastructure.

How can the government continue to ignore over one million children in need of a safe child care environment? Will the government do something about the desperate need for child care in this country?

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I have answered this question about day care centres several times before. First of all, I think it is false to claim that the government does not invest in day care centres, because over $1 billion annually is spent on all kinds of programs, especially in the form of tax credits allowed for day care. We also have a number of joint projects with the provinces.

We have also said this question remains a priority, in terms of the decision we made last year to provide substantial assistance for children at risk, to deal with their particular situation. The $3 billion we invested in 1992 in this sector, to be spent over a period of five years, reflects our concern for the children of this country.

[*English*]

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the choices were between helicopters and child care spaces. I bring you back to that.

Our studies have shown that a comprehensive, non-profit, affordable and accessible child care program that will double the number of spaces would create 40,000 new jobs, improve the salaries of those who are already working in the program, put the system on a sound financial footing and put 600,000 Canadian kids in safe, affordable child care.

Why does this government continue to turn its back on Canadian kids who need child care?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, once again I repeat what I said before. Last year we put $3 billion into child care. Of course, to do all that the member would like to do, I would need the kind of money that NDP governments normally have. But even B.C., Ontario and Saskatchewan do not have that money any more.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, recently the Minister for International Trade stated that the North American free trade legislation should be put through Parliament as soon as possible "to avoid uncertainty for business people".

Now a government spokesman has said that the legislation may be delayed at least until June or perhaps beyond when the U.S. position may have become clearer.

What has changed? Who is speaking for the government? Is the government finally conceding, as the opposition has recognized all along, that the parallel accords proposed by the new U.S. administration are

tantamount to a renegotiation of the North American free trade agreement?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me quote from someone who I think speaks for the government.

The Prime Minister when asked a question about NAFTA said it will pass. The questioner went on to say: "There are serious doubts that it will be ratified". The Prime Minister said: "Oh, no. NAFTA will pass. NAFTA will be passed probably by June". In a CNN interview he said: "Oh, it will be ratified here by June. We are going to get it through the House of Commons". I am sure my hon. friend will support us in getting it through the House of Commons because it is very consistent with the trade policy that he advocates for members of the Liberal Party of Canada.

• (1445)

The matter is very clear. The policy of the government will pass. The side agreements on the environment and on labour will be negotiated among the three countries but the President of Mexico, the President of the United States and the Prime Minister of Canada have all said that the NAFTA signed in December will not be re-opened.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister knows the opposition has for some time urged that Canada should seek strengthening of the labour and environmental clauses in the North American free trade agreement.

Now that the United States has taken that initiative, when is the minister going to state what the Canadian position is? Has he any position on the renegotiation which will begin next week of the two essential areas of environment and labour and quite possibly import surges? When is the minister going to share with the Canadian people what the position of the government is?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I know my hon. friend is not in the House all the time, but I have said quite consistently, starting from a year ago February, that the Government of Canada has been in support of side agreements to the NAFTA covering labour and the environment.

These were turned down by the Government of the United States and the Government of Mexico, but now there is the new administration and President Clinton has said he wants to review the matter, and we are supportive of that.

Some of the aspects of the environmental matters were raised by Canada back in September. That contributed in part to the establishment of the North American Commission on the Environment, which is precisely what we proposed a year ago February.

* * *

[*Translation*]

CN RAIL

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Minister of Transport and concerns the decision by CN Rail to dismiss nearly 11,000 Canadian workers.

Since the Government of Canada is CN Rail's only shareholder, does the minister support this decision to dismiss workers in Montreal, Moncton, Winnipeg and other places?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member for Ottawa South surely knows that the government is not pleased about any job loss. Nevertheless, the hon. member must know that Parliament has given Canadian National the mandate to operate on a business–like basis and to give its customers the best service.

Canadian National is the sixth largest railway in North America in terms of its operations, with revenues of $3 billion, and has the second largest number of employees. It has as many employees as companies that do almost twice as much business. CN must become competitive if it wants to stay healthy and the decisions it has made were made within the terms of its mandate.

[*English*]

Mr. John Manley (Ottawa South): Mr. Speaker, the minister clearly supports firing employees. Let me ask him this question. Mr. Tellier said in his announcement that federal and provincial taxes were a large part of the

problem for Canada's railways. I quote: "Canadian railways pay some $225 million more in taxes per year than U.S. railroads".

Does the minister agree with this statement? Why does he think Canadian workers should bear the brunt of the solution when Canadian governments are causing a large part of the problem?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I am very happy the member in the latter part of his question rectified what he had said in the first part. The CEO of CN has not blamed the federal government. He has blamed the fact that the railways in general are paying too much money in taxes.

He should know that the federal government collects $75 million a year from the railways and that is 18 per cent of their total taxes. They pay $203 million to provincial governments, which is 48.6 per cent, and $139 million to municipalities, which is 33.4 per cent.

* * *

• (1450)

YOUNG OFFENDERS ACT

Mr. Girve Fretz (Erie): Mr. Speaker, my question is for the Minister of Justice.

Canadians are disturbed and concerned over the terrible crimes perpetrated on our society. I would like to know what the minister intends to do about the Young Offenders Act. Will he introduce amendments which will permit the naming of young offenders who commit violent crimes?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, this is a very controversial issue, as my hon. friend knows.

I know there is public concern about the situation. The courts are open to the public and there is access to the records of young offenders for a broad range of purposes.

The question on the other side concerns the rehabilitation process. We have to make sure the rehabilitation process works. The way we can achieve that is by bringing everybody together to work on getting it done.

As my hon. friend from Mississauga West and all other members of the House will know, there was a unanimous report of the standing committee on justice which made a lot of recommendations concerning crime prevention in this country. I hope the symposium we are having on crime prevention in Toronto this week will address those issues and some others, with the help of all stakeholders including members of this House.

* * *

[*Translation*]

STATUS OF WOMEN

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the government. Two weeks ago, the government announced that the women's program would be funded permanently. The same day, it took $1 million from that program. This morning, the National Federation of French Canadian Women and the Quebec Women's Federation asked the government to double the amount for enhancing the status of women.

Does the government intend to follow through this request from women's groups?

Hon. Monique Landry (Secretary of State of Canada): Mr. Speaker, indeed, my colleague mentioned that the women's program had been renewed and the good news he forgot to mention is that it has been renewed permanently.

I can tell him that women's groups applauded this decision of the government, which shows our government's commitment to support women's groups that have already done a great deal for women's equality and all the concerns that women have in their communities.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, surely the minister could have at least dealt with the heart of the question, the cuts received by women's groups after the announcement was made.

Health and welfare estimates list family planning and reproductive health as past initiatives. There is no commitment to fund these areas in 1993–94.

Considering the long-term social and economic impact of unwanted pregnancies on the individuals involved and on society, will the minister commit here and now to continuing to fund family planning education and research in the coming year?

[*Translation*]

Hon. Monique Landry (Secretary of State of Canada): Mr. Speaker, I must tell the hon. member that in the short time I have held my new position, I had an opportunity to meet representatives of women's groups from across Canada and of course we discussed their priorities. I encouraged them to continue in the direction they had taken and I renewed the commitment to the women's program, which has been cut 10 per cent, like all other government programs.

I also discussed with them a new approach along the lines that my colleague mentioned earlier of developing new partnerships. The government gives them very substantial support. Indeed, we support 500 groups a year. But I think that we must go beyond that and try now to discover partnerships with the private sector and the public sector. Many experiences have already been very positive. This is really the kind of message that I discussed with them and I will continue as well.

* * *

• (1455)

[*English*]

THE ENVIRONMENT

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, my question is for the Minister of the Environment.

As the House knows the green plan is the operative strategy of the Ministry of the Environment. In the green plan the Red River and Assiniboine River are identified as areas that require an awful lot of attention.

Could the minister tell the House what his plans are to resolve these issues?

Some hon. members: Oh, oh.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I am more than happy to tell the hon. member what my plans are—

Some hon. members: Hear, hear.

Mr. Charest: —on the Red and the Assiniboine, of course. As he has referred, there is an interest in our government to undertake an initiative around the ecosystem of the Red and the Assiniboine.

I understand the Government of Manitoba has also undertaken some work in this area. We look forward to working together as we examine the different alternatives there are for us in dealing with that ecosystem which is very important for Manitoba and Canada.

* * *

EMPLOYMENT

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the minister of employment.

In late January officials of CIC in Halifax rejected outright a request by Lasmo PLC to use foreign instead of Canadian crews in its operations within Canadian waters. The reason for this was simple. It was because there were hundreds of qualified, ready, willing and able Canadian seafarers to do those jobs.

Now that the file is on the minister's desk does he support the decision of the Halifax office or has he overruled it to allow Lasmo PLC, a foreign company, to displace Canadian workers with foreign crews?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the issue the hon. member raises implicates the Canada first employment policy. It has been applied in this case just like in every other case. The decision has been taken according to the act, to the law and to the principles involved.

I do not think he is serving Halifax or Nova Scotia well by claiming this is about taking jobs away from Canadians. The policy is clear. It is a Canadian first policy. In this specific instance the hon. member should know the principles of the law will be applied.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, less than 40 minutes ago senior officials in the minister's own department confirmed that a decision had been made to allow Lasmo PLC to displace Canadian workers with foreign crews.

What form of twisted logic does the minister suffer from that would allow him to make a decision to favour a multinational British oil company over the interests of Canadian workers?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the interests of Canadian

workers are being protected. The principles of the act, as I referred to earlier, are in place and are fully respected.

The decision to allow for a certain part of the crew to be foreign workers stems from the fact that the transportation of the crude from Sable Island to where it has to go is an international trip and as such qualifies as an exception under the act.

* * *

[*Translation*]

LANGUAGE MINORITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Secretary of State. Three years ago, the Mahé case gave minorities the right to manage their own educational institutions. The Supreme Court of Canada confirmed this right in a decision handed down last week, a decision that concerned language minorities and, more specifically, the Franco-Manitoban minority.

In view of the disturbing comments made by Premier Filmon, to the effect that francophones in Manitoba must accept his proposal and ignore the law, can the Secretary of State inform the House whether she has started serious negotiations with the provinces, and more specifically with Manitoba, to make an offer of federal assistance to that province, once and for all, to help the Government of Manitoba give its minority the right to manage its own educational institutions?

• (1500)

Hon. Monique Landry (Secretary of State of Canada): Mr. Speaker, like the hon. member I welcomed the decision handed down last week, which came almost exactly three years after the Mahé decision, reinforcing and refining the principles contained in that decision.

I can inform the hon. member that I am now discussing with my colleagues a series of measures to help the provinces implement a school management program. As soon as the general plan has been finalized, I intend to meet the provinces with a view to helping them implement a program that is so important to the survival of minority communities.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, may I just express some frustration with that answer because Conservatives are known for foot dragging. On the dossier of financing of francophone rights to education it is not only foot dragging federally but also provincially.

I want to quote Saskatchewan Premier Romanow in *The Globe and Mail* of February 7: "The issue for us here is another example of stalled and frustrating federal-provincial matters".

When will cabinet decide and when will Canadians know what position this government has taken in regard to rights of minority language groups to manage their own schools?

[*Translation*]

Hon. Monique Landry (Secretary of State of Canada): Mr. Speaker, I do not think my Liberal colleague can find anything to criticize here. Since we came to power, we have very substantially demonstrated our commitment to supporting minority communities, as he well knows.

We passed the Official Languages Act, and we recognize the importance of supporting the provinces in the area of minority education and school management. I repeat that discussions are at a very advanced stage, and I hope that in the coming weeks we will be able to start discussions with the provinces.

I may remind the hon. member that the provinces have to do their share as well. Perhaps he could urge the provinces to put in place the appropriate legislation, so that when we have the money, the provinces are ready to proceed.

* * *

[*English*]

WEST COAST SALMON FISHERY

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the minister of fisheries. It flows out of the *Fifth Estate* program on high seas drift-net fishing.

I want to know what this government is going to do with its surveillance and enforcement to prevent the theft of B.C. salmon on the high seas.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I assume the hon. member will be supporting the EH-101 helicopter initiative

because she is concerned and worried about surveillance on the high seas. We are glad to have her support.

With reference to what is being done, we should put the problem in perspective. The north Pacific salmon come mostly from Russia and countries other than Canada. About .05 per cent of Canada's 80,000 tonnes of Pacific salmon that are caught every year are at jeopardy in this situation.

We participate in the various treaty arrangements, aerial surveillance and the like in that area. In co-operation with other police forces we have apprehended people who have taken these salmon illegally and attempted to sell them. We will continue to do that. However, we have no patrol vessels in the area. We are participating in other ways in the surveillance and enforcement activities in this huge area.

Mr. Speaker: On a question of privilege, the hon. member for Parkdale—High Park.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question of privilege is for the Minister of Justice. It arises out of today's Question Period and his reply to the question of the hon. member for Erie about the Young Offenders Act.

I was pleased that the minister invited all members from this House to attend the national symposium on crime prevention in Toronto. I have been trying through his office and through the department to attend that national symposium for a month now. I was told that it was limited to the members on the parliamentary standing committee on justice.

Mr. Speaker: The hon. member may well have a matter which he wishes to discuss with the minister or others, but I have to say it is going too far to say that it is a question of privilege.

• (1505)

Mr. Flis: Mr. Speaker, I believe the minister owes it to this House. Can he accommodate the members he invited today? If he can, fine. If he cannot, then he should not invite us.

Mr. Speaker: The hon. minister may want to deal with that.

[*Translation*]

Hon. Pierre Blais (Minister of Justice, Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, there are 250 or 260 seats. There are people representing all Canadian organizations, and I welcome the opportunity to mention this. People from the municipalities, the provinces, the federal government, from several departments, from the private sector, members of Parliament, members of the standing committee on justice have been invited. I think it would probably be easy for his party's Whip to make arrangements for access to the seats available to party members. I have no objection. There are seats for the members of the committee.

Mr. Speaker: Clearly, there may be a problem, but I think it could be solved in a conversation between hon. members and the minister.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SITUATION IN YUGOSLAVIA

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I think it is clear to all of us that the tragic war in the former Yugoslavia is unparalleled in terms of its complexity and of the political, economic and ethnic forces involved. It continues to severely challenge the international community and we continue to search for effective ways of responding to this enormous humanitarian crisis.

We must find ways to cut to the very heart and root of this tragedy. We must find ways to bring this war to an end. We must find a way to stop further bloodshed. We must convince all parties involved that the use of force will gain them nothing. They must realize that after this is over they will have to live side by side no matter what the outcome. They must realize that no peace can be brought about by the imposition of military might.

[*Translation*]

Intense negotiations have taken place in New York over the past several days. These are expected to resume toward the end of this week. They show signs that at least some of the parties are seriously interested in a negotiated settlement. Lord Owen and Cyrus Vance

have produced over the months, and with much dedication, a comprehensive package. This should form the basis of new political, security and territorial arrangements for Bosnians. This is the only proposal available to the parties and they must all negotiate seriously on this basis.

We have been active with the parties urging them to find a meaningful and fair compromise. This is precisely the message that our ambassador to the UN delivered to Dr. Karadzic, on my instructions, last Friday. Any party that stands in the way of a political compromise will face further international condemnation and isolation. We are ready to do whatever we can to help in the difficult search for peace.

[*English*]

That includes of course and must include the provision of humanitarian assistance until this horrifying and tragic war is brought to an end.

Canadians continue to demonstrate their solidarity and their compassion for those who have been forced into these terrible situations and who are suffering all forms of human degradation. Our government will continue to provide support for these unfortunate people in reflection of what Canadians have expressed they want us to do.

To channel this humanitarian assistance we have chosen to utilize international relief organizations. We have disbursed over $25 million through the United Nations and other organizations. The UN High Commissioner for Refugees, UNICEF, the World Health Organization, the World Food Program, the UN Department of Humanitarian Affairs, the United Nations volunteers, the International Committee of the Red Cross and the International Federation of Red Cross and Red Crescent Societies have been our agents. We have found in them close co-operation.

• (1510)

We have intentionally chosen to let those with expertise and objectivity assess the requirements. We have consistently told these organizations that our intention is to help those most in need with what they most urgently require.

We know it is not enough. We know that governments and public institutions in the region are barely capable of coping with hundreds of thousands of refugees and displaced persons. The economies of these countries have been decimated.

[*Translation*]

We have addressed what we believe to be the number one priority: to help those who have been expelled by warfare and to counter the ignominious practice of ethnic cleansing.

First and foremost, we must ensure that people receive food, medicine and shelter, but we must also deal with the social and emotional legacies of war. In December 1992 and again last Friday, I announced a specific grant to assist the victims of sexual violence. Canadians have been outraged by the rape and sexual assault of women and children in this war. The victims of these repugnant crimes require our urgent assistance.

Both the Minister responsible for the Status of Women and myself indicated on Friday that Canada will provide a further $1.5 million to address these needs. Our contribution will help UNHCR and UNICEF provide women and children with medical supplies, rape-trauma counselling services, food, clothing and shelter.

[*English*]

Today, I am pleased to announce a further contribution of $9.5 million in response to the ongoing international appeals. We will help the World Food Program, the International Committee of the Red Cross, the International Federation of Red Cross and Red Crescent Societies and UNICEF to continue their activities.

This new contribution outlines Canada's continuing concern for those who are suffering. By channelling our assistance through these established agencies we know that we are addressing identified shortages. We know that our contribution will be directed to and received by those most in need.

As this House knows, the Canadian forces are present on the ground in Bosnia as part of the UN Protection Force. Our troops, a battalion of the Royal Canadian Regiment, have already begun the task of ensuring safe delivery of humanitarian assistance in eastern Bosnia, an area of great need. Our forces have also brought large quantities of food and medical supplies by air to Sarajevo during more than 354 missions. Our men and women operate under the most hazardous of conditions with

great commitment and bravery. They are a credit to all Canadians.

The Americans have made a different choice. They have chosen to drop supplies from the air to reach villages isolated for months from any relief. This is a commendable initiative. It will supplement what is being done by land by countries like ours and we fully support them in their efforts.

We know that humanitarian assistance by itself will never be enough. Canada will continue to explore all means for bringing a quick and lasting end to this tragedy, despite many discouraging starts up until now.

We cannot allow the world to disintegrate once again into the basest forms of inhumanity. We must take the lessons of the century and put an end once and for all to the festering hatreds that continue to fuel the fires of war in the former Yugoslavia.

• (1515)

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I welcome the minister's appearance in the House to make these announcements. I am sure we can look forward to many more in the months ahead under the circumstances and we will certainly welcome this interest in putting forward and tabling in the House important declarations.

Let me also say that in terms of the recommendations or proposals being made by the minister for increased assistance for humanitarian purposes, we fully applaud this initiative and support this kind of effort. This is one of the areas in which Canada can continue to make an important contribution.

In saying that, I hope the minister would take into account some questions that arise out of the first part of her statement. The first issue is whether the government is in any way considering proposals made by a number of the Canadian cultural organizations that have friends and relatives in the former Yugoslavia and are very anxious to supply forms of assistance. In particular, I can think of the willingness of groups to offer medicine and foodstuffs but have so far not been able to develop any co-operative relationship with the government to actually send to these areas.

One group I met with last week indicated it had accumulated a large amount of medicine to send and is utilizing United States aircraft, the U.S. government, to send these provisions and support. So far it has not been able to do it through Canadian auspices.

One of the clear questions I would raise, and in fact I would put it in the form of a request, is that the government seriously consider offering to use our transport aircraft to move into that area and to help in the delivery of those kinds of initiatives. I do not believe they should go necessarily in the areas of direct conflict. Certainly the suffering going on in the refugee camps in Croatia and other areas such as Hungary and the borders are very crucial. I think we can be of great help.

Another matter I would like to raise and it is one the minister did not address is the issue of whether the government is going to finally change its policy and begin accepting as bona fide refugees women who have been suffering from severe persecution.

The minister properly announced and we support the idea of offering international assistance for those who have suffered abuse, sexual crime or violations in the area. However in a form of contradiction while we are offering to help internationally, we are refusing to take a more genuine, open look at that problem here in Canada. As we have seen in recent weeks, there are hundreds of women who have escaped from the most incredible conditions and have applied for refugee status and now are in threat of being sent back.

It hardly makes sense to me that on the one hand we would be saying we must assist them through international organizations but on the other hand we are not prepared to take a more open look at our domestic policy as it relates to the acceptance and provision of this as a refugee claim. I understand that it would be broadening the definition but surely to goodness in this day and age with all the changes going on in the world, Canada could take a lead in helping to broaden that definition and show other countries it is possible by setting the kind of criteria that is required.

A third issue I would like to ask the minister about, and I am really surprised she did not mention it because frankly she has taken an initiative in the past on this matter, is the issue of war crimes.

We have heard about the Security Council authorizing a proposal or a plan for a war crimes tribunal. We have had question marks in this House about whether the questionnaires our own government is using to elicit responses is really one that could lead to very serious human rights abuses of our own Canadian citizens.

It would seem to me that this would have been the opportune time for the minister to have clearly addressed what it is that Canada is doing with its war crimes procedure. If it is going to be effective, it seems to me it could be one of the most significant deterrents to actions taking place, such as the massacres in Bosnia which are totally contradictory to all the conventions of war.

I wonder by its omission whether the government has let go of this issue, whether it is no longer interested in the issue. Is it no longer prepared to put in place the steps that are required to make this a real, effective and fair procedure both protecting the rights of anybody who is going to be named and at the same time ensuring that the war crimes proposal does get the kind of attention and support it deserves?

In saying that, I am not in any way taking away from the announcement of more direct assistance to international organizations but I do think it could stand a somewhat broader examination here in Canada.

• (1520)

It does take me to a more fundamental question which is addressed in the last portion of the minister's remarks that frankly leave us all hanging, waiting for an answer. The fundamental question is as to what Canada's position is in relation to the problem of Bosnia and that conflict.

We talk about how we want them to solve the problem. We hope the Vance–Owen plan will be introduced. What are we doing specifically as a country to ensure that the full weight of our reputation and background experience is brought to bear? After all, we have close to 2,500 troops and are growing in that area. That surely gives us a substantial amount of leverage. I think it is even closer to 5,000 troops. That should give us the right to take significant actions to develop plans and proposals. It gives us a voice.

The minister mentions in the statement I received that she had sent a letter to our ambassador to pass on to the Bosnian–Serbian leaders. What was in it? What did we say? What did we ask for? Are we threatening? Are we cajoling? Are we persuading? Are we expressing fond hopes? Are we prepared to take any action? Do we have a plan? Are we taking any new diplomatic initiatives? Are we working with the Americans? Are we trying to get our European allies to have a little stiffer backbone when it comes to these matters?

After all, part of the problem has been the total failure of European countries to address this issue in its early findings. Even the Vance–Owen plan is going to require significant contributions.

I must say at the same time that in listening to the reports today from the United Nations, we have the Secretary–General saying it may be that we will have to use force in that area to get a solution.

I was listening with some interest to the minister's statement, assuming that the very important policy statement of the Secretary–General would be addressed. I would like to know what it is that Canada intends to do. Are we supportive of the Secretary–General? Do we think the Security Council will have to authorize a new resolution in order to ensure that the parties to the dispute understand that the UN is serious about this? Are we, in fact, once again leaving a dangling participle? Maybe we do not have a position.

The Vance–Owen plan, if it is accepted, will require some 50,000 troops to implement and enforce any cease–fire. Is Canada going to play a role? Are we going to be part of the truce? If so, are we prepared to substantially shift the priorities of the government in defence spending so that we can get the proper number of troops with the right equipment and the right training at the right place to make a full contribution? These are all serious and significant questions that still go without answers.

Mr. Speaker, I see you beginning to make a slight move toward the edge of your seat which suggests to me that my time may be at an end. I am very sorry because there are many other questions I would like to pose. It may simply be that this is the first taste.

I would hope that the minister, now that she has made this initial step in the House of Commons to share with us her ideas and plans, might be prepared in the very near future to broaden them. I hope that she might bring into this Chamber a full, comprehensive statement on what are our future peacekeeping requirements and commitments and where we should be going with them. That would then be the cause of a very serious debate.

Mr. John Brewin (Victoria): Mr. Speaker, I am pleased to welcome the key elements of the statement made by the minister this afternoon.

We fully support the additional humanitarian relief dollars that she announced on Friday for victims of rape and sexual assault. Earlier this year we pressed the government to do just that. We are pleased that she has responded.

We are also pleased in the government's general support for the Vance–Owen process. I am sure all members of the House join her in hoping that this will produce peace in the region. Finally we support, of course, her strong statement of support for our women and men in the area who serve Canada, the United Nations and humanity there. It is a very risky and dangerous project in which they are engaged. It is a very important one. They have the support of the people of Canada in that. Canada has the third largest contingent in the Bosnia area after France and the U.K. and we are glad to have their support.

• (1525)

I might take the opportunity however to raise some concerns. First, we are all concerned at the persistent violation of rights by the Serbian forces that have generally been supported by the government of Serbia, the crackdown on moderate political forces in Serbia, the failure to act against forces which have been involved in rape, sexual assault and other crimes against humanity, and the persistent interference with humanitarian relief.

The most graphic example of the latter has been the now confirmed reports of 20,000 Bosnian Muslim victims of sexual assault, rape and other violence at the hands of Serbian forces. These actions on the part of the Serbians must not only be condemned and stopped but must be the subject of the war crimes tribunal.

On that we also have a concern and I would ask the minister to try to specifically address this if she has not already done so. The panel appointed by the Secretary-General of the United Nations of course consists all of men and I say that seems to be too often the tradition of the United Nations.

In this case, where one of the serious allegations is of rape and sexual assault, it is entirely inappropriate that the panel consists entirely of men. This is reinforced, I may say, by statements attributed to the chairman of the commission, Mr. Frits Kalshoven of Holland, who is quoted as saying that the rape allegations are going to be a very difficult aspect of the investigation. He said: "It is very difficult for a woman to admit that she has been raped. At the same time it is also very easy for a woman to tell the story that she has been raped when it is untrue". That is a totally unacceptable statement coming from anyone, but most importantly from the chair of the panel that is looking into these allegations.

I may add that the Canadian military lawyer who has been assigned to the panel, Commodore William Fenrick, has also noted the difficulties they are going to face in reviewing these particular charges. I would hope the government would intervene to see there are changes in this.

Two other quick points. We call on the government again to expand the Canadian definition of convention refugee and to get the United Nations to expand the Geneva Convention on Refugees to include those who are refugees from sexual assault. We say that sexual abuse, rape and sexual assault should be added to the definition of war crimes.

I join with the member for Winnipeg South Centre in saying to the government that it should come forward with proposals for a Canadian role in the future, assuming the Vance–Owen discussions are successful.

Let me mention two other points. We call on the government to move quickly to recognize the government of Croatia. The government has delayed and delayed this most important step. There is no legal impediment as to why the government of Croatia should not now be recognized. It has been recognized by other governments. I would ask the Secretary of State for

External Affairs if she can find a way to give a commitment to this House to recognize the government of Croatia so that it can take its place in the international world.

Finally, I cannot help but use the opportunity to draw attention to the fact that the government is coming forward with $9.5 million for humanitarian relief and is taking the time to bring it before the House, while at the same time it is blotting Canada's reputation around the world and betraying a commitment to the people of the world by cutting back on official development assistance. We see in Somalia and even in Bosnia that the heart of these problems is the failure of the world to come to grips with the issue of justice and to distribute this world's goods fairly and properly. That is really what is at the heart of so many of the problems the world is facing today.

• (1530)

For the government to cut back on hundreds of millions of dollars to the poorest people of the world while it takes the time of this House to make much about its generosity on behalf of the Canadian people is the height of hypocrisy.

This minister is responsible for Official Development Assistance. It is time the government was called to account for its failures on this point.

[*Translation*]

Hon. Marcel Prud'homme (Saint-Denis): Mr. Speaker, on a point of order. I just wanted to say, once again, it is unfortunate that the Standing Orders do not allow us to put questions to the minister or to pursue the debate on this very important issue. I have always said this is one of the weak points of the Standing Orders. I do, however, want people to realize that we are determined to go ahead and change the Standing Orders.

The Acting Speaker (Mr. DeBlois): Order, please. The hon. member for Saint-Denis knows perfectly well that if he wants to improve the Standing Orders, he can submit suggestions to the appropriate committee of the House.

Mr. Prud'homme: Mr. Speaker, on the same point of order. You may have realized that the reason I raised this point of order was to give notice that I intend to continue, as you suggested, my submissions to the committee that is considering these matters.

* * *

[*English*]

INTERNATIONAL WOMEN'S DAY

HUMAN RIGHTS

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Mr. Speaker, I rise today on the occasion of International Women's Day to draw to the attention of the House one of the key elements of women's equality. In fact this year the theme of International Women's Day that we have adopted at the federal level is "Women's Rights are Human Rights".

In 1993 the world is more clearly aware of the abuses of human rights than ever before. We have heard the Secretary of State for External Affairs talk about it in the context of Bosnia, but there is hope because in June of this year even more attention will be focused on this issue when the United Nations hosts the world conference on human rights for the first time in 25 years. That conference will be taking place in Vienna, Austria.

Events around the world present opportunities for a more rigorous examination of the unequal treatment of women in our society and the chance to create a new ethic of justice for both genders.

The acknowledgement that women's rights are human rights also has important consequences for the way in which we view fundamental issues in our societies. The right to food, to shelter, to property, to social security, to health care, to employment, to religious and political freedom and to live without fear of violence should all apply equally to women and men. In many cases in many parts of the world they do not.

The facts underline this scenario. Women constitute half the world's population but they put in two-thirds of the working hours. They grow half the food but they receive one-tenth the wages and they own a mere 1 per cent of the world's property. They are the main educators of the world's children yet they make up most of the world's illiterate people. They are guardians of family health yet 15 million of their babies die annually from entirely preventable diseases.

We should take pride today on International Women's Day that indeed Canada has been on the forefront of international efforts to accelerate the recognition of

women's rights as human rights. We have constantly stressed the concept of women's rights as an integral component of human rights at the United Nations. We strongly put forward initiatives recognizing, for example, that violence against women is an abuse of human rights.

We have also played an instrumental role in the development of the United Nations declaration on the elimination of violence against women. This declaration is going to be considered at the UN Commission on the Status of Women later this month. It is our hope that it will receive support from nations around the world and will go forward to the UN Economic and Social Council and the General Assembly of the UN for ratification later this year.

• (1535)

[*Translation*]

Similarly, Canada is an energetic and constant defender of women's rights in other international forums, including the Commonwealth, la Francophonie, the Organization of American States and the Organization for Economic Co-operation and Development.

[*English*]

Women's rights also continue to be a major element of Canada's international aid policy. In 1984 CIDA adopted a women in development policy with the objective of integrating women of the Third World into the development programs, both as agents and beneficiaries. I certainly have had the opportunity to visit many projects around the world in those past eight years and have seen the very positive impact that this policy has had and how we have been a role model for many other countries around the world.

On the occasion of International Women's Day it is important to recall that in times of crisis Canada will provide humanitarian assistance and specifically for women. Indeed there is the statement that my colleague made earlier today reiterating our commitment to provide $1.5 million to the women and children who are victims of rape, violence and sexual abuse in Bosnia-Hercegovina. I hope that our funds, along with funds from around the world, can help those women to be able to at least recover their lives in some meaningful way after having suffered such horrible atrocities.

The work with respect to International Women's Day is not just abroad. It also applies right here at home. Over the past nine years there have been many changes that have taken place in terms of ensuring and promoting equal opportunities for women. In the work place there have been initiatives such as employment equity and the federal contractors program. I have heard from many persons who feel that the federal contractors program has had an immensely positive impact in enabling women to become involved through various institutions and recipients of government contracts across the country.

Women have also been targeted as a specific group in our training and skills development programs. Education is so vital. Earlier today I had the opportunity to share with some of our Canada scholars the report which the Prime Minister released today on the role of women in trades, technology, science and engineering, a report entitled "Winning With Women". It is a theme which we all take heart in, whether it is in science and technology or in the many other aspects of life where women have so much to offer.

This report identifies the very specific initiatives which we must take to ensure that women will be successful in entering into careers in science, trades and technology. Our Canada scholars program, which requires that 50 per cent of the recipients be women, has played a very important part in bringing about that change.

Whether they are amendments to the Unemployment Insurance Act to enhance parental benefits or amendments to the Labour Code that are currently before this House to improve maternity and parental leave and protect pregnant employees, there has been a whole range of initiatives relating to changes in law which have helped to advance and fundamentally ensure women's equality in this country.

Again, perhaps one of the most important ones is the change to the Indian Act to ensure that Indian women would no longer be stripped of their status because they married non-aboriginal persons. That has been enhanced through our work on the Canadian aboriginal economic development strategy to ensure that aboriginal women are also accessing entrepreneurship and economic self-reliance.

We see women increasingly going into leadership roles. We are reminded again of the almost trebling of the numbers of women who now hold important positions throughout federal boards, agencies, commissions, and the federal judiciary. We now have a cabinet in which women comprise 20 per cent of the members.

One of the issues that is very close to my heart, and for so many women is a fundamentally important issue in achieving equality, is the issue of violence against women. Our government has applied a policy of zero tolerance toward violence against women both in principle and in action.

• (1540)

In the work of the Canadian Panel on Violence Against Women we will have the opportunity to set forward a national action plan. This is in addition to the over 1,300 projects which we have supported through the family violence initiative, which is helping to change and improve the lives of women and children in this country. Amendments to the gun control act, parole laws and Criminal Code provisions relating to sexual assault are all helping to provide better protection for women.

International Women's Day in 1993 is dedicated to ensuring that women's continuing efforts to achieve equality are taken account of both in the concept and practice of human rights. I applaud all those who are working to achieve that objective: women in this Chamber and women across the country operating within governments, in the private sector, in community organizations and women's groups at the grassroots level. They have all been part of this growing energy and this growing commitment. I applaud them for they are working to achieve that objective of ensuring equality for women both in Canada and around the world.

I know I share with all colleagues in this House the belief that this will come. It is our time and each of us will make a difference to ensure that it happens.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am also very pleased to speak on behalf of the opposition party in the House of Commons today on the occasion of International Women's Day 1993.

I listened very intently to the minister's remarks. I was pleased to learn that the theme chosen by the federal government for International Women's Day this year is "Women's Rights are Human Rights". As the official opposition critic for human rights and associate critic for the status of women I have long maintained that these two portfolios are intricately related. I would like to take the opportunity to address the issue of human rights and women and look at how women are faring both domestically and internationally.

The rights to food, shelter, property, social security, health care, employment and religious and political freedom are women's basic human rights. The fact that women are the gender most likely to be denied these rights is indicative of the battle women throughout the world face.

Nowhere is the sad truth more apparent today than in the ongoing war in the former Yugoslavia. Every day more stories emerge detailing the atrocities being committed. Of grave concern is the systematic detention and gang rape of Muslim women in Bosnia. There is now proof that at least 20,000 Muslim Bosnian women have been terrorized, brutalized, forced to bear their attackers' children and often murdered. This constitutes a human rights violation of the highest magnitude.

Unfortunately the tragedy of Bosnia–Hercegovina is not an isolated case. In March 1991 Amnesty International released its report *Women in the Front Line, Human Rights Violations Against Women*. The report records the experiences of female survivors and casualties of human rights atrocities world–wide. Grave violations of human rights were found to have been committed by governments with widely varying ideologies in Africa, the Americas, Asia and Pacific, Europe and the Middle East. The report documents cruel, degrading and inhuman treatment, specifically directed at women. These abuses may affect their physical, mental and emotional well–being, their role in the family or their cultural environment. Women's rights must be a major element of Canada's international aid policy.

The minister outlined some of the ways her government has tried to enhance this policy, yet all too often we see countries with atrocious human rights records receiving huge amounts of Canadian aid. The minister mentioned some of the terrible statistics regarding women in the world the poverty and poor health, lack of education and child mortality rates. However, she forgot to mention that her own government is proposing a new

direction to official development assistance which will cause further difficulties for many women.

• (1545)

Even the minister's own Conservative colleague on that side of the House, a former cabinet minister who has also served as ambassador to Ethiopia, calls the government's actions stupid. Those are his comments.

Closer to home, I have become increasingly amazed at how much energy Canadian women must expend just to fight the system in order to achieve equality of opportunity due to poor government policy. Women are still fighting the advance rather than advancing the fight.

In 1970 women earned 60 cents to every dollar earned by our male counterparts. In 1990 that figure had risen by only seven cents. In 23 years it rose by 7 cents to 67 cents for every dollar.

Women are over-represented in low-paying, part-time jobs and are often denied promotions, job security and standard employee benefits.

The minister talked about what her government has done for women in Canada. I would like to know why her government issued directives to Treasury Board and Justice Canada officials to use stalling tactics before the human rights tribunal established to hear federal Public Service pay equity complaints. I would like to have the minister's response as to why her government, as an example, will not respect the equal pay retroactivity entitlements provided under the Canadian Human Rights Act. Why will the minister's government not abide by the tribunal's decision? Those are three simple questions.

Finally, I would like to know why the minister's government will not support amendments to the Canadian Human Rights Act to provide for proactive implementation of pay equity within specified time frames for the 500,000 working women in the banking, transportation and communication industries in the federal Public Service.

Of even deeper concern is the issue of violence against women. One in four women will be sexually assaulted in her lifetime, half of them before they reach the age of 17. Every five days a woman is shot to death in Canada and usually by her male partner. The trends will not reverse on their own. The approach to resolutions must lie in an interrelation of government policies at all levels.

Violence against women does not exist in isolation. The main contributing factor is that social attitudes condone it and poverty confirms it. Women are often forced to remain in violent situations because in all too many instances they must rely on a male partner for their economic well-being. The cycle perpetuates itself. Children who grow up in this environment will live it.

By taking a stand against such offences and working toward policies to strengthen a woman's position in society it would be clear that tolerance of acts against women is unacceptable. Today would be a good day to take the first step.

This International Women's Week of 1993 is a time and an opportunity for all of us, not only all of us in this House but all of us as Canadians, both male and female, to try to right the wrongs and ensure that women move forward to their rightful place in our Canadian society.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, International Women's Day is a time to celebrate our achievements and re-examine our vision for the world.

Too often, both in the House of Commons and outside, we deal with the details and not with the overview. A volunteer who takes crisis calls at a shelter for battered women or a sexual assault centre or a volunteer at a women's centre helping a family find child care, all of these acts that we do each and every day are a part of a larger movement toward full social, economic and political equality and empowerment.

My vision, which I share with many, is of a world in which men and women live in harmony, peace and equality and where no one is beaten or tortured. It is a world in which no one's work goes unpaid or underpaid and unrecognized. It is a world in which we are not divided into rich and poor. It is a world in which no one is persecuted because of their gender, sexual orientation, religious or political beliefs. It is a world in which our children can breathe fresh air and play and live without fear, secure in the knowledge that whether they are male or female, aboriginal, black, white or any other race or colour, they will be respected and valued for who they are. It is a world without war.

• (1550)

Sometimes this sounds like an impossible dream. However, with this vision to guide us, we can bring about positive changes within our own lifetimes, changes that the generations which come after us may build upon and benefit from. That is the vision and there are concrete steps we can take toward that vision.

We can stop deporting women back to situations where they face abuse and death at the hands of their husbands or at the hands of the state. We can establish a national child care program and provide support for parents at home. We can make training and education more accessible by lowering financial barriers. We can implement pay equity. We can channel our resources away from the military, away from military helicopters, away from security intelligence and government waste toward services which invest in the skills and health of our population.

In her statement the Minister Responsible for the Status of Women said that the right to food, shelter, property, social security, health care, employment and the right to live without violence should apply equally to women and men. But they do not.

Yet her government's actions, the cutbacks to social assistance, cutbacks to housing programs, cutbacks to health care, cutbacks to child care and training programs, cutbacks to shelters for battered women and the Secretary of State women's program, these regressive actions speak far louder than her words.

The minister said that Canada has been a leader internationally on the human rights of women. However, her government is deporting refugee women who are fleeing domestic or state violence and gender-based persecution. Over the weekend *The Globe and Mail* documented the personal situations of 14 refugee women who were here in Canada, some of them in hiding. This government is determined to deport them back to those unsafe conditions in their homeland, back into the hands of abusive men who control their lives. Eighty per cent of the world's refugees are women and children, yet two-thirds of the refugees that Canada accepts are male.

The minister's words will be weighed against the lives of all of these women and children. She cited the Canadian Panel on Violence Against Women as her government's effort to deal with violence. Again she is confusing words with action. Battered women cannot receive shelter or safety at the offices of the panel when they are turned away from an overflowing, underfunded shelter for battered women. Actions, not words will lead us closer to our vision of equality.

On this International Women's Day, March 8, 1993, if I have one wish, it is a wish that working together we could acknowledge the fundamental inequality in our society. We could move forward in a systematic way that addresses those underlying reasons why women are at the bottom of the social and economic scale, both in Canada and internationally and make a commitment among all of us in this House of Commons to work together to change that.

* * *

[*Translation*]

INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

REPORT OF CANADIAN SECTION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the Canadian section of the International Assembly of French-speaking Parliamentarians on the meeting of the board of the parliamentary affairs committee held in Paris on February 3, 1993.

* * *

• (1555)

[*English*]

PETITIONS

DRUG PRICES

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have the privilege to present two petitions, pursuant to Standing Order 36.

The first one is from a large number of residents across Canada. The petitioners point out to the government that drug costs are going up dramatically because of the abolition of licensing procedures for generic drugs. They request that the government repeal Bill C-22 and not proceed with Bill C-91. Of course as it has now passed, the government should repeal Bill C-91.

IMMIGRATION

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the second petition is signed by a large number of residents in Surrey and points out that people applying for sponsorship of immigrants pay a $250 fee. It also points out that the Surrey and New Westminster immigration offices are going to be closed which will make it very difficult for people to receive this service. The Vancouver office which is being opened is going to add additional costs of over a quarter of a million dollars because of building occupancy.

The petitioners call upon this House to ensure that the immigration services in Surrey and New Westminster remain open for the public.

CIVILIAN VICTIMS OF WAR

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, I would like to present two petitions.

The first refers to the protection of civilian victims of war. Their rights should be made known and respected. This petition calls upon Parliament to help the Canadian Red Cross to mobilize governments and the public to be aware of the right of victims of war to receive food, medicine and shelter regardless of race, colour, creed or political, religious or ideological nature.

YOUNG OFFENDERS ACT

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, my second petition is from a great number of individuals from St. Catharines, Niagara Falls and other areas of the Niagara peninsula in memory of Rosalynn Dupuis.

The petitioners ask that the Young Offenders Act be amended to provide greater protection to the public. The petition goes through many concrete suggestions. These include that the judicial powers should recognize the consequences to the victim and the victim's family as being paramount and give as much recognition to the victim as is afforded to the young offender. In addition, the parole system should be expanded to be responsible and have the authority to develop and conduct effective rehabilitation programs for dangerous young offenders when they are released from custody.

The petition also calls for life sentences for murder to be incorporated into the Young Offenders Act with the parole provisions at 10, 15 and 20 years. Obviously, the most important one is the provision of a parole system which is not currently in effect with the Young Offenders Act.

[*Translation*]

COURT CHALLENGES PROGRAM

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition, pursuant to Standing Order 36, which has been certified correct as to form and content.

This petition recalls the importance of a program known as the Court Challenges Program, which basically helped language minorities defend their rights before the courts. Considering the recent Supreme Court decision on education, I think it is appropriate to lay this petition on the table.

Wherefore the petitioners humbly pray and call upon Parliament to consider the possibility of reinstating the Court Challenges Program, which gives all Canadians equal access to the Canadian Charter of Rights and Freedoms.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if question No. 325 could be made an order for return, that return would be tabled immediately.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House that question No. 325 be deemed to have been made an order for return?

Some hon. members: Agreed.

[*Text*]

Question No. 325—**Mr. Caccia:**

Since April 1991, have any cabinet policies been subjected to environmental impact assessments and, if so, (*a*) who conducted each assessment (*b*) have any public statements been released and, if so, when were they released?

Return tabled.

[*Translation*]

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

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

Some hon. members: Agreed.

• (1600)

[*English*]

Mr. Angus: Mr. Speaker, I rise on a point of order. Earlier today when you were in the chair the parliamentary secretary to the government House leader rose in his place and sought unanimous consent to move a motion dealing with a matter to come before the House later today. You indicated that there was no unanimous consent. I was in the Chamber at the time and I did not hear a dissenting voice.

I draw your attention to the *Précis of Procedure*, pages 63 and 64 which states that the vote on the motion, whether it has been debated or not, is put by the Speaker asking: "Is it the pleasure of the House to adopt the motion?" If there is no dissenting voice, the motion carries.

It is the tradition, or at least it has been the tradition in this House that if a member objects to a request for unanimous consent an audible no is heard. It ensures that all members regardless of where they are seated in the Chamber are aware of that no and do not rely solely on the hearing or visual ability of the Speaker.

I am not looking for a ruling at the moment. I am not challenging any decision that has been made. I would ask you to examine this issue, Mr. Speaker, to see whether or not it is appropriate for the Speaker to see the shaking of a head and take that as direction of consent or non-consent when a matter is put before the House.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I wish to thank the hon. member for his courtesy in notifying me that he intended to raise this point of order. I want to reassure him, after making inquiries and referring to the tradition of our rules, that it is left to the discretion of the Chair to determine whether or not there is unanimity, since it is not a yes or no vote. Presumably, a deaf mute member could refuse unanimous consent in some non-verbal way, if you allow me that example.

That being said, I want to reassure the hon. member that I am certain the House was not unanimous on the motion that had been presented. I take note of the member's request and may investigate further, but I wish to reassure him right away that there was no unanimity. Eeven if it was not expressed verbally, I was able to see that with my own eyes.

GOVERNMENT ORDERS

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-73, an act to amend the Canada Post Corporation Act, as reported (with amendments) by a legislative committee; and Motions Nos. 1, 2, 3 and 4.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I would like to speak briefly on this bill and raise a number of issues.

Our concern on this side of the House is that this is simply another move in the privatization of Canada Post. In our view it is a serious enough situation already that we have seen the closing down of rural post offices, the destruction of rural community life and the removal of the visible sign of the presence of the nation in many of the communities of our country.

The minister has said in this House on a number of occasions that this is not part of a privatization move. However, it is extremely difficult to believe that when we have seen various steps toward privatization. We have seen the government increasingly removing itself from any responsibility for the actions, the service or lack of service of Canada Post.

I give one example. Junk mail is of significant concern to a large number of Canadians. They are concerned about the environment and concerned about having to deal with extra pounds of paper that are put into their mailboxes every week unsolicited. They have no way of legally refusing that even when it is delivered by Canada Post. I wrote to the minister some time ago and asked why Canadians cannot have the right to refuse what they describe as junk mail. We all know what we mean, advertising flyers and so on, something that has nothing to do with mail, directed to that person but whose sole purpose is to sell.

• (1605)

The minister wrote back and said Canada Post has to deliver every piece of mail delivered to it. Of course it does because the law says so. That is why I wrote to the minister. The minister of the Crown is responsible for

pursuing changes to legislation and instead chose to rely on Canada Post to say it has to deliver this stuff.

This is one of the indications that the government is increasingly absolving itself of any responsibility for postal service when in fact legally it is still responsible.

I wanted to speak about the privatization of postal outlets. This has created ridiculous situations in my riding. Some members will know that Ottawa West happens to be the riding in Canada with the second highest proportion of seniors. One-third of the adults in Ottawa West are over 65. How and where services are delivered means whether or not seniors can live comfortably and conveniently in their communities as they age.

When post offices are moved from very close to a seniors' residence where 200 or 300 people may be housed to a good 20-minute walk away for a population that by large measure does not have cars is the kind of thing that happened under the privatization moves already made by Canada Post. The only concern was accommodating the private sector and providing services through the private sector. The emphasis on service disappears.

The other area in which privatization has seriously affected services in my riding is with respect to French language services. Canada Post is not ensuring that private postal outlets provide services in Canada's two official languages. It means that in Ottawa West, which has a population of close to 10,000 people who identify French as their first language, those people are not able to get the services they are legally guaranteed in their first language.

I am really not quite sure what this bill means and I do not think the government is really quite sure what it means. Let the employees buy shares in the company but do not give them a vote, do not give them any say about it, and do not consult with them ahead of time as to whether this is something they have any interest in whatsoever. It is also set up so shares can be given away. This is a standard part of any privatization package I have ever seen, whether it is in Canada or elsewhere in the world. It is the ability for the senior managers of a corporation, a Crown corporation, becoming privatized to be able to set up their own future and that often involves the issuing of shares and stocks to themselves.

I have to question whether this bill is really about allowing employees to be co-owners of Canada Post. How employees can be the co-owners of something that is not privatized, which the minister denies he is trying to do, is not quite clear. However they are going to be co-owners. In that case the government has an obligation to lay out what this corporation is going to be worth of which the employees are theoretically going to be able to be co-owners.

I serve notice as has already been done by the union representing many of these employees, that this government has an $80 million pay equity debt to women employees of the post office and that it had better not talk about privatizing or valuing the corporation without including that debt in the evaluation.

• (1610)

I am going to speak briefly about something else that has been of great concern to me. A number of complaints and inquiries have come to my office about the treatment of people working for the post office. Those have not diminished with the privatization efforts that have gone on. They have increased. Women who have worked for the post office for many years have suddenly been put on late night shift work. Women who have child care well in place have suddenly been told they have to work on a shift and they cannot get child care. People who have been with the post office for many years have suddenly found it is becoming impossible for them to stay because of the way employees are treated.

We do not have a good situation at the post office now. We have a decline in service to the public, not an increase, notwithstanding what the post office says. We have an increasingly market driven approach to delivering a public service that is crucial to the unity of Canada.

It is not much wonder when we on this side of the House and Canadians in general receive any kind of bill like this there is great cynicism and great scepticism about the minister's comments and great mistrust of those comments about what the real intention is. That is because consistently over close to nine years we have seen this government not being honest and open about

what its intentions are. We suspect that in this bill it is another case of one small step to another hidden agenda.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, most members of this House have of course spoken against this bill, but some have come out in favour of it. Since 1965 the general public has lived through 18 major disputes at Canada Post. We have had some very difficult years and as yet a way has not been found to ensure peace in a postal system which at one time was the envy of the world. Canadians do not know that there is a very long history behind Canada Post.

Even before the country was formed in 1867, in the colonies of New France in the 16th century, to go way back, the French saw that the Indians, the native people, the Iroquois and so on, had a system to take messages by river with canoes made of bark. They found their methods very effective, considering the difficulties at that time when all the land was covered with forests. The French at the time of New France adopted this method using canoes of bark to send documents between Quebec City and Montreal mainly, or to Trois-Rivières, depending on the colonies.

In 1735 they decided that official documents could be sent not only by water but also by land through the forests and roads were laid out over time. Strangely for the time, 1735, the first person hired to take messages, if you want, was a Portuguese fellow by the name of Pedro da Silva, as history records. So we can see that everyone was an immigrant even then, because countries other than France and England were also represented in this country. Over the years, the system improved. In 1868, just a few months after Confederation in 1867 when Canada became a country, one of the first departments created was the post office. Post houses were created which over time became post offices headed by postmasters.

• (1615)

With the advent of airplanes, a system developed in the country. We must not forget that Canada's population was not large but we then had a service considered very advanced and rapid, given the small population and the large territory to be crossed to deliver mail throughout the country. I even noticed that in the 1920s mail was free in some rural areas. That is far from the case today. At the time, although people were poor, they could communicate by mail with relatives outside their region.

The first stamps came in the 1800s. It is not surprising that the beaver appeared on the first stamp, which cost three cents. For the time, perhaps it was a lot of money compared to what it costs today.

On the whole, Canadians had a very good system, but unfortunately it was not possible to solve the conflicts in Canada Post. Since 1965, there have been 18 conflicts. I believe they have destroyed morale at Canada Post. Later, we had great difficulty establishing a system with which Canada Post employees were satisfied. Many attempts were made with various government plans to find a solution.

Finally, we have Bill C-73, which is rather vague in that it would privatize the postal system. We suspected it for some time, but the government denied it. What I find hard to understand is that it recognizes that the employees, the postal workers, are the most important part of the system. In spite of that, the government plans to sell them 10 per cent of our system, only 10 per cent—of course, the government would keep 90 per cent—but with no voting rights. Usually, shareholders have voting rights, but not in this case.

The government thinks that privatizing the postal system could solve the strikes and conflicts at Canada Post, but I think it misunderstands the problem. For many years Canada Post has needed a kind of leadership that would not necessarily come from the government and its appointees. It should have invested in that and found the leadership needed to rebuild the necessary morale, but that is not what it did. A conflict situation has been created and has gone on without interruption for the past 25 years.

This bill does not really solve the problems. Instead, they should have found what was creating a situation in Canada Post that always led to conflict. We can honestly say that Canada Post pays well. They are not the highest paid workers, but they are certainly not the lowest paid. Paying well is not always a way to buy peace. In spite of that, they complained that the corporate leadership was uncaring and they felt that they were treated cavalierly.

• (1620)

So this privatization will not solve the problem there. Just giving it to the private sector will certainly not solve the problem, since we have seen that the private sector is not always the answer. We have inherited a system that was built over the years. At one time it was envied by many. Now the government comes up with what it hopes is a solution to all these conflicts. Basically privatization puts the problem out of our control. That is not the way to go. We should always have control over Canada Post because it is extremely important to have a service that meets the objectives of providing the fastest, most reliable service possible. We had such a service and that is still our goal but I think that we would still have the same problems with privatization and then we would conclude that privatization was not the solution.

In closing, I hope that in the next few years, we will really take the time to deal with the postal question and settle it once and for all. We should ask those who have been out there for many years and call upon their knowledge to find a way that will benefit all Canadians and give them fast, reliable service.

[*English*]

Mr. Sid Parker (Kootenay East): Mr. Speaker, I too wish to enter into the debate on Bill C–73, an act to amend the Canada Post Corporation Act. This is nothing more than the privatization of Canada Post.

I listened with interest to the member for Ottawa West. I was the New Democratic Party postal critic during 1980, 1981 and 1982 when Canada Post was made a Crown corporation. During that time the Liberals were in power.

In the small community of Trout Lake just south of my then riding of Kootenay East—Revelstoke, which has now been changed to Kootenay East, a very strong Liberal who had worked for the Liberal Party for many years was delivering the mail. The people were being told that their rural post office in Trout Lake was to be shut down and that they would have to travel approximately 20 miles to a green box at Galena Bay. That was the concern of the Liberals in those days. As a member of Parliament I hired a lawyer to try to fight that, and the minute I did so they changed their decision and let that post office carry on. I do not need to be told anything about what the Liberals were doing with regard to the post office even in those days.

As I said I represent the riding of Kootenay East with nine municipalities and 50 rural post offices. When I see the Liberal member of Parliament for Ottawa West standing in the House expressing concerns with regard to the possibility that she might not be able to receive her mail in French or English or the possibility of some of these changes taking place, I think such members of Parliament have no idea what a member of Parliament in a rural riding must do in order to try to accommodate and work for his or her residents.

Of 50 rural post offices many are being shut down. People are being told to drive as many as 30 kilometres and 40 kilometres to a green box where there are no other services available. Right across the street from the post office we have in place with all its services the government in power is opening up another private enterprise and making those services available. Yet, as I said, people in a rural area will have to drive 30 kilometres or 40 kilometres to get to a green box in snow up to their hips.

• (1625)

This is not the kind of service that we in the New Democratic Party envisioned for our people. Our post office is one of the most essential services people expect to have. It must be equal for everyone across all provinces, across our whole country and especially into our rural areas. Private enterprise will not go into remote areas and give the kinds of services people expect. If we are talking about services we have to retain our Crown corporation. We have to retain equal service to people right across the country and we are not going to do that with this kind of legislation.

I resent being a member of Parliament when I hear what people representing a riding like Ottawa West have to say. I have five airports in my riding and I am trying to get some electric lighting for them. I have five native bands in my riding and I am trying to get some help for them. I have three border crossings and we have the kind of legislation this government brought in to try to protect small businesses in those areas. I have 1,400 kilometres to drive across my riding to represent these people.

The government is taking away our immigration offices. It is cutting back on our unemployment insurances offices. I cannot even have a 1–800 number for those people to phone when they have problems with their unemployment insurance. Yet I hear the Liberal member for Ottawa West complaining whether they can get their mail in French or in English. I am complaining so that we can get a service to represent the people in my

riding who have to drive distances in very heavy snow conditions.

When I was on that committee I insisted—and it is in that piece of legislation today—on an amendment put forward by the New Democratic Party for our Crown corporation to give equal service to communities of equal size. I will give credit to the then minister in charge of Canada Post, the member for Papineau—Saint-Michel, who agreed to that important amendment. It indicated that anywhere in the country where service was to be made available communities of equal size would be given equal opportunity. That is not happening today under this government.

I hear about the shutdowns of postal offices in small areas. I go there and hear the outcry of seniors who have lived in those areas for many years when they find out their post offices are being closed down. They are told they will be able to go to the nearest area, possibly 15 kilometres or 20 kilometres away, where there will be a post office. After shutting the first one down notification takes place that the other is being shut down.

There is no consideration for these residents whatsoever. It is strictly an economic decision being made by Canada Post. Canada Post is starting to let new private outlets across the street, right across the road from post offices, for the day when it will shut down its post offices in these areas.

We in the New Democratic Party know what that means for our isolated areas and other areas that are not profitable. It means they will be left out. Again we will see members of Parliament from large urban areas having their services, in fact even delivery to the door, when our people have to drive distances to pick up their mail. It is wrong. This legislation is wrong and should be defeated.

• (1630)

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise to take part in this debate and to ask this House a simple question.

We are beginning to privatize what I consider to be an essential service in Canada, an essential service in the sense that every country has a post office. If we look to the south it has a national post office that seems to work very effectively, and we have a post office that we are trying to privatize. This government has privatized. I will just mention two areas I have seen privatized that have affected the way of life of the people I represent.

One is the railway. We do not have a railway. Even if we had wanted the railway the Tories could take it away. They could just say they wanted to abandon the line and in a hurried fashion the railway picked up the iron rails and cross-ties and sold them. Within a year we would not even think there had been a railway from Halifax to Yarmouth.

What about the airlines? I cannot imagine in the 18 years or 19 years I have been involved in politics an airline industry in Canada that is more mixed up or confused than our airline as it exists internationally. The airline routes we hold dear should belong to Canada and should not be allowed to go south of the border in any way, shape or form. Canada should control its international airline routes.

Perhaps domestically we have a healthy airline industry but internationally I as an elected politician cannot see our international routes being held or controlled, our rights as Canadians being held or controlled by other countries. This government seems to have a *laissez-faire* attitude in that regard.

Then we come to the post offices. They were just closed and before we knew it some real estate business in the area got to sell them. Although the people have held meetings, protested and said they did not want their post offices closed, they were closed. Like many of my colleagues I have seen many post offices closed in my riding. I have never seen people more offended by post offices being closed. Yet this government has never once gone to the Canadian public and said what it was going to do to post offices.

The Tories have a majority. They can ram it through, and like everything else they do not even consider what the people in Canada are telling them on a day-to-day basis. I do not know how members of Parliament opposite can go home on weekends and face their constituents, unless their post offices are not being closed or it is

only in ridings represented on this side of the House that we are losing post offices and railways.

Speaking of railways, Canadian Pacific is abandoning part of the line from Saint John to Montreal. It is abandoning from Saint John to Sherbrooke. It is a very valuable line, now that we have the free trade agreement with the U.S. Why would we give up a line that goes to the U.S., could probably be hooked up with U.S. lines and get right to the midwest, into the big centres like New York and others? Why are we pressuring Atlantic Canadians? Why is ACOA not going out to see if we cannot handle that line, keep it going, keep it active and keep the railway going?

We do not have that. It is the same when we think about the post office and privatization. This government has to provide some services for Canadians. We have a large country. To be able to send a letter to the Yukon, the Northwest Territories, Yarmouth, Nova Scotia or Calgary we need to have a system for the approximately 26 million Canadians that benefits them and that they have a say in. I have not seen that.

• (1635)

People across Canada are questioning this government's spending of the taxes it collects. I think that is why people are so dissatisfied with politicians and people in this House. Right across Canada we hear them ask what we are doing here in Ottawa with the taxes that are collected.

In the 1960s ordinary Canadians could buy a home and send their kids to college on one salary. Today you can have a mother, a father, the children at an early age, the university students and the technical students all working to try to maintain a home and send the kids to school for further education.

We hear this government claim that we have to educate our youth. For the first time I am seeing youth who are trying to be educated without much help as a priority and yet we are told they do so much for Canada.

I think Canadians are sick and tired of hearing what this government has done. It has decreased services in practically every area. It has increased taxes to such an extent that people are hurting and hurting badly. They cannot understand how we can just sit around in this House as politicians, go home on weekends, listen to the people and come back here and not have an effective role to play. We are not effective when we cannot even see that it is a priority in Canada not to privatize but to have an efficient postal service for all Canadians.

I think it is a priority. I would like to know if Canadians feel that way. Perhaps they can improve the service at the post office. Perhaps they can start providing a more down to earth combination of urban and rural services. This is a big country. This is a great country and those are national institutions that this government has systematically done away with. That is why it is so important for this bill to be defeated. Without the Canadian approval I cannot believe we are just undoing another national institution, another service to Canadians who see their taxes going somewhere but not affecting them.

I realize my time is over very shortly but I do want to say it is time the government started listening to Canadians. It is going to have a leadership convention but that is not going to change the attitude we have put up with, or I have put up with for four and a half years. The government has been insensitive and has not paid any attention to the proposals we put forward and this is just one of them. Canadians do not want to see the government privatize Canada Post like Air Canada and our railway system. They do not want to see some of our national institutions go out the door without even being able to vote on it.

Let us hope the election comes soon. I think Canadians want to vote this government out because of its lack of caring about the spending of Canadian taxes and the hard-earned dollars of Canadians which it has controlled.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am happy to be able to participate in this debate with regard to Bill C-73, an act to amend the Canada Post Corporation Act. As previous speakers have indicated, the substance we are dealing with really provides very little in the way of an incentive or solution to some of the problems we are being confronted with at the present time at Canada Post.

• (1640)

One could intellectually argue that making shares available to the employees of Canada Post Corporation is a positive feature of the evolution of governing and particularly of the way Crown corporations operate.

When one looks at it from a very substantive and practical perspective, one readily sees what a sham this really is.

As my colleagues before me have pointed out, this will allow employees the right to acquire only non-voting shares. That is a sham. Will they be able to have their members and representatives sit on the board of directors which determines the policy and direction the corporation will inevitably go? The answer is no. That in itself is a substantive and fundamental omission of the whole proposal being put forward by the government.

As my colleague from South West Nova has indicated, this is really a step in the direction of privatization. One could compare the ideologues of the Conservative Party opposite with Margaret Thatcher in Great Britain, but she did not stoop to such idiotic procedures as privatizing the post office in that country. This government is bent on following a direction whereby it would inevitably, not today but soon thereafter, privatize Canada Post Corporation.

It fails to take into consideration that Canadians do not want to have their post offices privatized. I do not think Canadians agree with the direction in which the government is proceeding. I think Canadians in rural Canada and indeed in urban Canada see this institution of Canada Post as yet another great institution of the Canadian mosaic. I believe that and my colleague from South West Nova has also alluded to that.

Unfortunately, members opposite do not give a damn about the institutions which have added strength to the way of life in Canada. I want to remind members opposite we have had examples. This is the government that said it would never privatize Air Canada. What did it do? It privatized Air Canada. This government kicked up a storm in 1983-84, as my colleague will recall, with regard to the abandonment of certain railway lines across this country. Now we are going to have a report within 48 hours that it will abandon many railroads across this country. VIA Rail has cut off its passenger service to many parts of this country when in fact the government argued many years ago it would never do that.

Canadians have grown accustomed to these institutions. They felt they were important because they added to our culture as a nation and to the Canadian mosaic. They are slowly but effectively being eroded by members opposite. Of course the hon. member opposite speaks from his seat, as he normally does, not wishing to participate in the substance of the debate. He is only name calling from his chair, reluctant to stand in his place and defend something which is indefensible. I understand that. I understand that.

What I find hypocritical about members opposite, and particularly the one who is speaking from his seat at the moment, is the way they stand in their places and clap like wet seals when the Minister of National Defence stands in her place and tries to defend the idiotic program of a $6 billion expenditure of public moneys on Cadillac helicopters. She does this when we have so many issues affecting Canadians today such as the student loans program which affects our students and the student summer employment program which affects young people in this country and day care or lack of day care.

• (1645)

Again, I say to the hon. member opposite, in 1984 the right hon. gentleman who sits opposite to me said with his hand in the air: "I am committed to a national child care program" only to be reaffirmed in 1986, 1988 and 1989. We have not seen one red cent for a national child care program by this government, yet it has moneys in excess of $5.8 billion to spend on Cadillac helicopters.

This Canada Post bill fails to address the issue of services to Canadians. It fails to provide specifics with regard to share offerings. It does not say anything with regard to placing values on assets or the value of shares, nor does it protect any of its employees who are gainfully employed with Canada Post Corporation.

I have an example of a post office in my district in the town of Dominion. It is only because of the good work of the mayor of that town, Mayor Art MacDonald and the town council, whom I have worked with over the years, that we have been able to keep that post office open. This government is bent on closing post offices, services and thereby towns throughout our country.

I recall that members opposite have individuals in their midst who are experts at closing down towns. I remind you, Mr. Speaker, the impartial person who sits in the chair, that you will have to agree Schefferville was one example of shutting down a town. Now the govern-

ment has found new ways to shut down towns and get rid of post offices.

It does not stop there. In the several minutes I have remaining—I am sure I would get unanimous consent to continue—let me give another example. It is Tory creed. It is its biblical following. Not only has the right hon. Prime Minister closed down towns, we have a living example in the province of Nova Scotia. In the darkness of night the first minister of that province, the Hon. Don Cameron, ordered the machines to be sent in to tear down the toll gates at the Canso causeway. That affected the towns in the surrounding areas and threw men and women out of work, when that particular operation was creating a profit and did not cost the taxpayers a cent.

Then again, Mr. Speaker, what do you expect from the Tory credo? It is to shut things down. It is to take away services from the people of Canada.

It is a sad day for Parliament and it ought to be a sad day for parliamentarians to see the government opposite, in its total arrogance of what is taking place in this country, stoop to such shams as to try to offer employees non-voting shares and somehow think those employees and the Canadians whom they serve will appreciate and thank the government for doing this kind of disservice to them.

Canadians are not that dumb. Canadians are not like members opposite, acting in a vacuum. I say through you, Mr. Speaker, they will have their opportunity to defend their dismal record over the last number of years no matter who they elect to succeed the right hon. Prime Minister.

• (1650)

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, before I begin my main comments I would compliment my colleague on those last remarks. He has obviously injured the feelings of the people across the aisle with his pertinent remarks respecting what is happening with Canada Post and the direction it is taking today.

I am pleased to add my comments on Bill C-73. Simply put, the bill is window dressing. It is absolutely, positively non-operative. It is not going to work, ladies and gentlemen. It fails in its purpose and it has absolutely no meaning for those people it is trying to help, the employees of Canada Post.

In business we would call this a diversion. Subversion might be an appropriate word too. What it is really doing is diverting the attention of the Canadian public from the fundamental issue before all Canadians with respect to the operation of Canada Post. In my estimation Canada Post has simply lost its way, it has lost its purpose for being and it has lost its very reason for existence.

As a Crown corporation Canada Post is not alone in what it is doing with respect to other Crown corporations we have, not only federally but in the provinces. We need not look any further than what is happening at other Crown corporations. We all know that in any corporation, whether it is a Crown corporation or whether it is a corporation that is privately owned, the corporation takes its direction, its attitudes and its reason for being from its chief executive officers, those in charge on the executive committees and obviously from the board of directors.

Let me give an example of what we see happening in another Crown corporation, Canadian National Railways, with its huge annual losses. I wonder what those losses would be if we knew what the charges are that CNR makes to VIA Rail on an invoice basis on an annual basis. I do not know what they are, but it is going to be interesting when CNR and VIA Rail come before the transport committee of this House.

I wonder what those losses would increase to if CNR did not have the wherewithal and the money that is paid to both railways in this country as a result of the Western Grain Transportation Act and some $700 million to $800 million a year that is used to subsidize the flow of grain in this country. If it was not for the revenue CNR receives from VIA Rail and western grain transportation, its losses would far exceed what we are seeing on its balance sheets today.

We are told that since 1988 this Crown corporation has lost 22 per cent of its business, that it cannot compete with other modes of transportation in this country and as a result it will have to lay off over 10,000 people over the next period of time. That is one-third of the labour force of this particular corporation.

One would have to ask what is wrong with the senior management of this corporation. What is wrong with its chief executive officers? What is wrong with its board of directors? Certainly those CEOs and board of directors

have been adequately compensated, both by way of remuneration and the frills that those positions receive. What is wrong with the operation of this corporation that it finds itself in such dire straits today?

We need look no further than Ontario Hydro and the problems it is facing. This is a provincial Crown corporation, grossly negligent in assessing the needs for power in Ontario, miscalculating what the cost of nuclear energy would be in this province, assessing incorrectly what the people in the province of Ontario would endure with respect to higher hydro costs, increasing hydro costs in the neighbourhood of 18 per cent in the last three years.

• (1655)

You ask yourself what kind of management, chief executive officers, board of directors, do these companies have that allow this type of thing to happen? As we heard today it results in not only 3,100 or 3,200 employees having to be laid off last year but an additional 5,000 employees having to be laid off in an economy in Ontario that can ill afford further lay-offs of this type. I think it comes down to the management that these Crown corporations are experiencing.

This brings me to the issue at hand. It is with respect to what is happening at Canada Post. Canada Post, as we know from the annual statement, has lost this past year in excess of $100 million.

There is tremendous employee unrest within the corporation. There have been fundamental changes in the thrust and direction of its mandate. It is directly involved against private enterprise, causing private enterprise sometimes to cease its operations because it cannot compete against a Crown corporation that only has to go to the government and the taxpayer of this country in order to secure and pay for its losses. Private enterprise cannot do this and this is what we are experiencing with this corporation called Canada Post.

I happen to know that some of the executives at Canada Post come from valid and substantial business backgrounds and very competitive business enterprises within this country. I wonder what has happened to those fundamental basic business principles they learned in their prior work experience. Why were they not brought to Canada Post in order to ensure the viability of this very important Crown corporation?

There is only one thing Canada Post has to do. Its only mandate is to provide service for Canadians. That is all it has to do. It provides the service of delivery of mail in the most economical and speedy way it can do it. That is its only mandate. When you read the legislation, it must deliver the mail. That is not difficult.

Where have these fundamental principles gone? Is it the business of Canada Post to promote certain enterprises within the country? Is it the business of Canada Post to be involved, as one of my colleagues stated earlier in the day, in delivering flyers? As I understand it today, the delivery of mail, which is the main mandate of Canada Post, accounts for something around 20 per cent of its annual business.

In my last two minutes I want to say that Canada Post and its executive officers along with its board of directors have very sound business backgrounds. I ask them for the future of Canada Post to apply those business principles. One cannot manufacture automobiles in this country if there are 100,000 grievances from employees who are unhappy with the corporation. You know full well that if there was that kind of grievance and employee unrest, the product that was delivered was not a good product and it would not be delivered on time. This is a problem that has existed at Canada Post for a number of years. It just does not want to come to grips with the issue and get rid of it.

I wonder what the chief executives in this country would do if their field representatives came and made reports on a semi-annual or on an annual basis and said: "I was successful this week, Mr. Boss. I managed to close 12, 14 or 24 outlets where we were providing a service to Canadian people". This is in rural post offices where it is so important in those areas that are out and beyond the main areas of Canada like Montreal, Toronto, Vancouver, Calgary, Edmonton and so on.

I come from an area that relies on the good service and the ability of Canada Post to deliver a service. I wonder what would happen if these same executives were in a business enterprise that fostered the closing of outlets

not only to sell their product but to service the product for Canadians.

• (1700)

I would impress upon and ask the officials in the executive and on the board of directors of Canada Post to return to the good business principles for which they were hired and return Canada Post to delivering a service of which all Canadians should be proud.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, this is a very important bill. It is important to defeat Bill C-73 because it is another one of these government bills portraying one thing to the public when it means something just the opposite. This has been the technique of the present Prime Minister. This has been the technique of the present government.

Let me give an example. It says that the changes in this bill, as amended in the legislative committee, are indicated by the underlined and vertical lines. Let us turn to section 27.3(1) which reads:

> The Minister, the Corporation and any subsidiary of the Corporation are authorized to issue or transfer to, and to purchase from, directly or indirectly, employees of the Corporation non-voting shares of the Corporation in accordance with such plan as the Board may, with the approval of the Governor in Council on the recommendation of the Minister, the Minister of Finance and the Treasury Board, establish by by-law.

That section gives it all away. It gives the Tory hidden agenda away. They want to look good in the eyes of the workers. "Here are some shares. You own the corporation." Does that not sound great? However, does one have any say in that corporation? No, not one word. Does one have any say in the future plans of the corporation, whether the working conditions should be safe in this corporation? No. Again it is in the hands of the Order in Council, in the hands of a group of ministers who think they know it all and they know what is best for all Canadians.

I am very angry as I am speaking here because in Parkdale—High Park we do not have one traditional post office left. All we have left in my riding are retail outlets. There is one good retail outlet remaining that has been in existence for 35 years in the High Park Pharmacy. It serves thousands and thousands of people, seniors and handicapped people who live on the subway corridor right behind this pharmacy.

A year ago someone in this big corporation decided to close this outlet, the only one between the other outlets crossways at Windermere and Bloor which these people have no way of getting to. These people send parcels to Lithuania, to Ukraine, to Poland. Here are people in their seventies and eighties bringing their parcels to this corner post office so they can get them mailed. What a convenience. The pharmacy owner is happy and the clients are happy. They could never be happier.

What does the government and the corporation do? This outlet is too convenient so they close it. I intervened a year ago in the House, in writing to the minister, so the minister and the corporation agreed that they would postpone their decision for one year. That was last May. This May of 1993 we were going to get a decision about the future of this post office.

This corporation, where the clients have no say, where the people providing the service have no say, have harassed this post office and a month ago threatened to close it again. It is not giving them a franchise and it is not allowing them to carry on the excellent service that this High Park Pharmacy postal station 166 is providing to the community.

• (1705)

I intervened. What is the reason behind closing it? Well, Mr. Vaughan from the corporation said that the business was not at the preferred site identified for development. Who wants development? We have High Park right opposite the pharmacy. We have thousands of people living behind the pharmacy. Why do we want development? We have enough clients there now. Because there is no future development, they feel they have to close this postal outlet.

Mr. Dzulynsky keeps asking, and I quote from his letter: "We ask on what basis this study has been made because we are one of the busiest outlets in the area and our volume could sustain a franchise". Again the bureaucrats or some consultant has discovered that their business is going down.

Just last week Mr. Dzulynsky delivered the receipts for February 1992 and this February to me. Business increased, it did not go down. The higher-ups in the

corporation are getting this false information and based on this false information they want to close this outlet.

As Mr. Dzulynsky says: "The irony is that our sales increased since the franchises in the area were set up. It seems to us that the people find our location convenient. Does a study of expected traffic patterns count for more than actual proven traffic?"

The consultant discovered that the traffic patterns are wrong and that there cannot be a franchise there. With the traffic patterns along Bloor Street there is no stopping light at that corner. We do not want stopping lights at that corner. Why would the traffic going from Etobicoke to Toronto stop there to use that postal outlet? That postal outlet was put there 35 years ago to serve the people living in the community within walking distance of this post office. This great management of this government, this great corporation, based on false criteria, is closing another outlet in my riding of Parkdale—High Park.

It can be seen why I am so angry. Mr. Dzulynsky, providing the service, feels he has been unfairly treated. I have letters upon letters from constituents who feel they have been unfairly treated.

I have 1,000 names of people who came to use the post office within one week. Within one week, 1,000 people came to use that post office and they are closing it when in the Prime Minister's riding they could not even find 400 people to use the post office. They went out of their way to try to save all the post offices in the Prime Minister's riding, but in my riding of Parkdale—High Park when thousands of people are using the outlets, no. Maybe they are closing it because I am a Liberal.

We just cannot run the country this way any more. It is time to stand up and call a spade a spade. My fear again is the hidden agenda in this innocent little bill, Bill C-73. I do not think we can support this bill when the government comes in with hidden agendas.

I appeal to the minister to get out of his fancy offices here in Ottawa and come to Parkdale—High Park. Come to 100 High Park. Walk with the people to this post office. If that one is closed, he can walk and carry the parcels to Crossways, as has been recommended, and see how far he gets.

Thank you for allowing me to put my concerns and anger on record. This government just has no heart and the corporation has no soul.

Government Orders

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to speak on Bill C-73, an act to amend the Canada Post Corporation Act. We noticed that section 27 of the Canada Post Corporation Act is repealed in this bill and that it is amended by adding thereto immediately before section 28 the following sections:

• (1710)

27.1 The Corporation has an authorized capital consisting of an unlimited number of shares of such classes as the Board may, with the approval of the Governor in Council on the recommendation of the Minister, the Minister of Finance and the Treasury Board, prescribe by by-law.

Section 27.1 points out:

(4) No shares of the Corporation may be held or beneficially owned by any person, other than

(a) Her Majesty in right of Canada or a trustee for Her Majesty in right of Canada; or

(b) an employee of the Corporation or a trustee for an employee of the Corporation.

(5) Not more than 10 per cent of the issued and outstanding shares of the Corporation may be held or beneficially owned by the employees of the Corporation.

I have one question right off the bat. Are these the rank and file employees working on the sorting floors doing the actual work or are they the executives or the supervisory people who over the last several years have so badly misled the Canadian people?

Scores of post offices were closed not only in my own riding but right across Canada. Since the adoption of this corporate plan in 1986 over 1,200 post offices have been shut down under the so-called natural opportunity policy. Under this policy all 5,221 post offices are scheduled to close over a 10-year period. Individual post offices are shut down when the natural opportunity of retirement, resignation or death of a postmaster occurs.

It is interesting that in six cases of post offices around the Prime Minister's riding when the postmaster retired instead of using the natural opportunity, new postmasters were hired. The post offices remained open in five out of six cases. In the sixth case they could not get anybody to apply.

Having closed these post offices and then by the same token offering to sell shares to employees seems to be redundant and sounds very suspicious.

I want to point out that I go back a long way in my association with the mail couriers in the rural ridings. In fact, before I started public school I remember riding around the mail route with my grandfather in the horse

and sleigh delivering rural mail in the winter months. Let me tell you the mail always did go through.

I can say that in many instances we would post a letter and three days later we would have a reply back from London or Toronto because that mail was taken to the post offices. It was sorted *en route* to Toronto on the mail cars in the trains. You could not get anything much more efficient than that and there would be a reply back in three days. It is a far cry from that today.

I am alarmed even more at what has been happening as the post office routes are amalgamated and one contractor maybe has five or six routes. Most of the former postmasters of those small towns and villages were veterans who were deserving of the position and had the respect of their communities, having previously served our country. Of course they and their rural carriers were bonded but that is no longer a requirement for the contractor today.

If, for example, a contractor in making the rounds decided to stop at a bingo hall to play bingo for an hour and a half and left the mail sitting unattended in his vehicle, who would be be responsible and who would reprimand him? As far as Canada Post is concerned, as long as the mail is delivered that day that is all that seems to matter.

Most of these little post offices did show a profit and provided excellent services. Now Canada Post is going to sell shares to the employees to try to get them to co-operate after we slash thousands of jobs and close down thousands upon thousands of post offices.

As we look at the numbers that are closed already and the impact that this has had, it is really in effect closing down the focal point of the communities across rural Canada. Looking at the lists I have from the various provinces on February 3, 1993, there are still 376 more to close in Ontario alone. Having come through this process let me say that it is very humiliating. I do not blame the people in the communities for being incensed whatsoever.

• (1715)

In the village of Watford, Ontario, Royal Canadian Legion Branch 172 was concerned about the future of the cenotaph in the village. I was very embarrassed last fall at the Remembrance Day services in front of the cenotaph. The post office beside the cenotaph was closed but there was a tattered Canadian flag flying. Nobody through Canada Post had seen fit to replace it until a letter of complaint went to the minister.

We still do not know what is going to happen to that cenotaph if that post office is sold. We have been getting the run-around now for two years. It has been two years since I spoke in the House on this. I was incensed at that time and I still am. I listened to the so-called explanations being given by officials at Canada Post when they came into the community to try to sell them on privatization or retail outlets.

I think back to the time the reeve of the town of Newbury stood up to them and refused to budge. The village itself took over the operation of that post office. The village is doing an excellent job and the post office is still the focal point of that community. It is not a faceless community. It is a booming little community that still has a post office run by the village itself.

In the process of those negotiations Canada Post officials pointed out that it was not acceptable and it was not done. Municipalities were not allowed to run their own post offices. They started digging into it and found that indeed municipalities do run their own post offices in other parts of Canada. Diane Brewer, the reeve of the municipality, showed they were wrong and was able to force them to deal with the municipality. Everything is going extremely well as far as the municipality is concerned, but of course it has put a crimp in the style of Canada Post.

I sat in on several of these meetings or had a representative there. We saw the harsh, insensitive tactics used during these closing procedures when the villagers were assured they would have the type of service they were used to over the years.

The post office cannot be replaced in any community regardless of where it is because of the sense of being Canadian, the sense of pride in being Canadian that we have rekindled. It is one more step toward the death-knell of rural Canada to proceed in the direction such as we see today.

I oppose this bill. I oppose it because of the proud traditions we have had in Canada, the sense of pride that I spoke about, the tremendous service the post offices have given us over the years.

Now they are losing money, not through any fault of local employees, but because they are trying to modernize what has already been very efficient, by laying off the workers at the low end of the scale and hiring more

administrators at the top. It is not much wonder we have had labour problems over the last several years.

I think for the good of Canada we have to maintain post offices in Canada and replace them wherever possible and not let them be phased out. They are an integral part of the structure of this nation we are all so proud of.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

And the division bells having rung:

• (1720)

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(5)(a), the chief government Whip has requested that the division be deferred.

[*English*]

Accordingly, pursuant to Standing Order 45(5)(a), the division on the question now before the House stands deferred until 5.45 p.m. later this day, at which time the bells to call in the members will be sounded for no more than 15 minutes.

Government Orders

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Friday, February 26, consideration of the motion of Mr. Blais that Bill C–109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunication Act, be read the second time and referred to a legislative committee in the Departmental envelope.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am pleased to rise and speak to Bill C–109, a bill tabled by the Minister of Justice which includes some very important and necessary Criminal Code amendments, as well as changes to the Crown Liability and Proceedings Act and the Radiocommunication Act.

These changes, particularly in the Criminal Code with respect to the Crown Liability and Proceedings Act, are absolutely necessary. I know that our party, with the very enlightened and interesting speeches given by the member from Cape Breton and the Islands and the member from Scarborough touched on those aspects of the bill.

I intend to particularly focus on those aspects of the bill that concern the telecommunications changes, the Radiocommunication Act in particular. The wiretapping provisions and those provisions that concern the Minister of Justice *per se* were adequately dealt with. I would like to look at cellular communications and the question of privacy which has become more and more important and serious as we start looking at the kind of legislation that is being brought before this House.

The Liberal Party supports the goal of achieving greater privacy in communications. We have long pursued that goal. There have been a number of concerns that we felt needed to be addressed in this area. We have talked about addressing the so–called nuisance junk phone calls that have been a bother to our senior citizens and families at home and have often interrupted their privacy. We have talked about seeking the opportunity to block the caller identification services that the telephone companies put in, that little thing on our telephones that identifies who is calling and in a sense is an invasion of our privacy.

When we raised these issues in the House the phone companies were at first very hesitant about finding ways of restricting the flow of information that companies might electronically gather on people from their telemarketing operations. After a number of questions and some anger from the population out there something has been done about that.

I could go on and list a number of other things. Suffice it to say that the age of technology and telecommunications has already made privacy of personal communications and personal information a key public policy challenge for the nineties and beyond.

Personal privacy is really under threat. I would particularly like to deal with the question of cellular telephones. I would like the audience and the members of this House to realize that there are over one million cellular telephones out there. They are not really telephones; they are really radios. There are 900,000 scanners tuning in every day, all day and during the evenings to phone calls when people believe they are speaking in confidence and privacy.

• (1725)

I think it is important to look at what Mr. Bruce Phillips, the Privacy Commissioner, has been saying recently over and over again as he talks about the number of times he has had to appear before this House and address the questions of privacy in the different forms of legislation that have been brought to our attention. It is important to note that in every one of these appearances he has underscored the seriousness of this problem. He said that it needs more than tinkering. That is the reason this bill requires much more careful examination and that at committee stage it is an issue that needs to be addressed very carefully.

I would like to quote from the very enlightened presentation that Mr. Phillips made on June 1, 1992 before the Senate to address the issues to be found in Bill C–62, the bill on telecommunication changes which still has not seen the light of day in this House. This is what he said:

> I do not think there has ever been a time when ordinary people have been required to give up to other persons and organizations so much of their personal information merely to function in a complex society. Once given up, this information has itself been transformed into an item of commerce, bought and sold in a huge traffic in personal data which in the United States now surpasses $3 billion a year.
>
> Thus people sense—and with good reason—that they are losing control of their ability to manage the degree to which society at large penetrates and exposes their personal lives. And as you will appreciate, the very essence of personal privacy is the ability to control what others are able to know about you.
>
> This situation has come about through an entirely benign process. No one apart from the total recluse has ever been able to claim total privacy, or particularly want it, for that matter. The simple business of human and commercial relations has always demanded some loss of privacy, merely for the purpose of existence. But until fairly recent times, and most notably the advent of the computer age, people could defend important areas of privacy, and especially the right to be left alone, with relative ease. The computer has demolished that defence. It can pull together scraps of personal information gathered from a wide variety of sources, assemble it into virtually complete personal profiles and make it all available to whomsoever is willing to pay for it—frequently without the knowledge or consent of the individuals named in those files. So new defences for personal privacy need to be erected, and this process cannot begin without increased awareness of the problem.

This issue is being addressed here in Bill C–62, if it ever comes to be alive in this House, and in general conversation out in society. I think that climate of awareness is starting to make us realize that this is a very serious matter of personal concern to each and every one of us.

We come across some very serious privacy issues that have arisen out of the rapid advances in telecommunications technology. I suggested that caller identification and cellular telephones were among the most important. We cannot deny that there is a double-edged nature to this scientific advancement.

As Mr. Phillips points out:

> In each case, important benefits and conveniences were made possible by new technology, but absent some special arrangements of prevention, they both carried with them significant potential loss of personal privacy.

I think that alert came under Bill C–62, which went to the other place to be studied. The two issues occupied and preoccupied, and continues to preoccupy, the Office of the Privacy Commissioner. He was particularly addressing his attention to telecommunications and he started to examine the extent of the technical problems that were involved.

We in this House are not technical experts, neither is the privacy office, and there is a lot that takes place in research and development that is so fast and so dynamic in its change that if we were to put our minds to it we could find the answers to the technical problems. We

know that technical answers are not going to close the gap in this tremendous invasion of our personal lives, and it is not the right approach. As well, technical fixes would be strictly band-aid solutions, only to be overtaken by new developments and new undertakings.

• (1730)

As far as this bill is concerned, we should say once and for all that its recognition of privacy protection as one of its objectives is most welcome and is a welcome beginning. There is a clause in Bill C-62 that would be very important for the CRTC and it needs to be included in here because it would give us some power and would allow us to have a little bit more control.

The question in my mind is whether the provisions in this bill go as far as they should or as far as they could. Or do they go too far in the sense beyond technology, but the kind of punishment that fits the crime? We all know that having an objective is one thing, but reaching it and finding the method to block it is another. That is why I have qualified my support for this bill.

I might go so far as to say one day that it might be a constitutional problem that we would want to look at. Whatever emerges from this process, I do not think that without a set of guidelines or standards we would be facing the issue squarely, honestly and with the kind of real intent that is required.

I believe that the information that is supplied to customers when they purchase these goods is not adequate. They should be made aware of what they are really buying and the purpose for which the telecommunications equipment that they purchase is to be used. Not only should there be this informed consent on the part of the purchaser, but cost neutrality is in question here. Customers should not have to pay to preserve privacy they already enjoy. Mr. Phillips says caller identification is a very good example of this issue. Until ordered otherwise by the CRTC, telephone companies proposed to charge extra for subscribers who wanted to preserve the anonymity of their telephone numbers. We talked about that in this House and we challenged the minister on that particular issue.

What about the cost of encryption? Is that not an obligation if we want to maintain the privacy of the airwaves. The only way we can do that is through encryption of those airwaves so that our phone can be protected and have a privacy aspect. It is a very costly undertaking. The estimate is in the billions. Should we have the obligation to provide complete privacy? Can we protect it without it being so extraordinarily expensive?

Perhaps we need to look at this obligation very closely when we go into committee and see what the options and concerns are. Do not forget that cellular telephone is really a radio. Mr. Speaker, if you encrypt it from your chair and want to speak to whomever you want to speak to with your encrypted cellular telephone then that does not necessarily mean that the receiver of your phone call, who may not have an encrypted phone, is protected in the sense of privacy. Therefore your communication, which you thought was protected, is not necessarily protected. This is a very important matter. I am going to come to the issue in Quebec in a moment, but a lot of us remember with a great deal of sadness how our lack of understanding of the technology has not been met.

The third concept that I want to talk about is about openness or transparency. Customers have the right to be told what it is they are purchasing. They are not told when they buy that cellular telephone that they are buying a radio. I suggest that such equipment must be so labelled. Customers have to be told what it is all about. They have to be advised that there are scramblers out there and that whatever they say can be listened to and overheard and can cause great harm in the course of their lives, depending on what issue they are discussing. This is a watch-dog call that I am putting in here.

• (1735)

It means we must have, through this minister and this bill, some kind of watch-dog process. The minister announced a supposed watch-dog process and called it the Telecommunications Privacy Protection Agency. It became a sleeping tiger. The mean-sounding watch-dog that the minister announced was really a great big failure.

What was supposed to bring Canadians everything they wished for in terms of peace of mind at the end of their telephones was a sham. The minister did not say

this so-called agency had no relationship to government except as a sort of ear to the minister. I would not call that a very effective way to protect people's privacy.

This so-called agency has never been heard of since. It is supposed to be a voluntary agency run by the same industry that is generating many of the complaints about nuisance telemarketing. The worst part is that until the minister took the podium to announce its creation, the industry apparently knew nothing about it. That is like putting the fox in with the hens and the eggs. It is ridiculous.

There was no consultation. There is certainly going to be duplication if the minister ever puts this into action. It was a total waste of time. The minister's action in this case seems more of an attempted display at leadership than the substantive response that true leadership really requires.

The problem we are here to discuss is one that recent events in our country have focused public attention on. We had the case in Quebec during the referendum campaign, for example, of cellular privacy. I remind you what *The Gazette* had to say in an editorial on December 12. It said:

> Had those conversations (of Diane Wilhelmy and Bud Smith) taken place over conventional phone lines, any unauthorized person who divulged the contents by tape, transcript or even orally would have been liable to charges. Users of cellular or cordless phones have no such legal protection of privacy, and that is what the federal legislation aims to fix. Clearly, strong measures are needed to discourage scanners from divulging information, blackmail, industrial espionage, credit card fraud or any number of illicit acts.

That is not totally accurate because it is still not going to be fully protected.

A January essay in *The New York Times* described the legislation changes proposed by this bill. It concluded:

> That libertarian attitude up north is what we should adopt here. Never has personal privacy been so vital a component of human liberty. We have been losing to the computer, the recorder and the eavesdropper by default; (it's) time to fight back.

I would suggest it is time to fight back. There is a serious personal privacy evasion going on and we need to do something about it.

Let us look at the problem which is new because Canadians have traditionally been able to use the telephone system in the comfort of knowing that calls over the normal wired system were really quite private.

Cellular phones have changed that. They have changed all the rules and for some very specific reasons. The main reason is that cellular telephones, instead of using a wired system, use a series of cells that are directed by dishes on roof-tops around and between cities, which pass calls in the open air. The call goes from cell to cell.

You can intercept whatever goes over the open air. It is public. Millions of Canadians who use cellular phones must realize they are not, strictly speaking, making telephone calls but radio calls. People have to remember that their cellular calls are transmitted on our public airwaves.

This introduces some serious difficulties in applying the normal expectation of privacy on cell calls. To combat this action people need to do two things. They must use caution and other steps will have to be explored.

Mr. Speaker, you tell me that I only have a couple of minutes left. That brings us to Bill C-109 which is an attempt albeit too late to strengthen the privacy of cellular communications. I say to you that using the Criminal Code with its amendment with indictable offences to the extent of imprisonment for a term not exceeding five years is a very strong measure. It really has to be examined. If we cannot stop the cellular phone call then I think we have to understand whether or not we can stop the right to freedom of speech. This is a very serious question. Should it also be a summary offence rather than an indictable offence?

• (1740)

The question has been raised by journalists whether or not this bill is fair, whether or not it can be perceived to be acceptable in the eyes of the public and whether or not someone can be charged for saying he or she heard something from someone. It is just not well-founded. I think it needs very careful analysis. With the intercepted radio-based telecommunication or the cellular phone call, have you given the right or implied consent when you say you have received a phone call?

There are many serious issues that need to be examined in the course of this bill when it goes to a legislative committee. I hope this House and the legisla-

tive committee will take the calls we are getting very seriously. A lot of people see this as an Orwellian bill. We expect that when the bill is being heard, the Canadian Association of Journalists will be called and we can find some kind of balanced solution.

Mr. Speaker, I do not expect you will find that this bill is the final word. An amendment must be brought forward in respect to this bill.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to start by complimenting my colleague for the excellent speech she just presented to this House. I am sure all members would agree that it was very thoughtful and well prepared.

I want to ask my colleague if she shares some of the concerns that some people have about section 113 of the bill. I know she has touched on it briefly. It is the proposal in the bill which would make it an offence not only to disclose the content of a conversation on a cellular phone, but the existence of a conversation.

That means that if I were an amateur listening to a conversation on a radio—and by the way that is not illegal and it will not be illegal under the bill—and I said to my wife: "Mary-Anne, come over here and listen to this", I have technically committed a criminal act by telling my wife to come and listen to what I had just heard. Even worse, to tell my wife I have just listened to a telephone conversation of John Smith without divulging what he said would be a criminal act under this bill.

I am wondering whether my colleague would agree that those are the kinds of important issues the committee should be dealing with when it reviews this bill clause by clause.

Mrs. Finestone: Mr. Speaker, I want to thank my colleague for raising that issue. He has heightened the ridiculous quality of some aspects of this bill and stressed the fact that it is not applicable. A law that cannot be applied is a ridiculous law. You know the old saying: "The law is an ass". Well that is exactly what it is in this case.

Let me suggest this to the House. Let us say you overhear, through the 900,000 scanners out there, two people planning to set off a bomb and indicating where that bomb will be placed. Perhaps you hear two people planning a robbery but you are not allowed to call the police and tell them you overheard that conversation. Is the interest of the public and the protection of society not more important than protecting the fact that you made a phone call and are liable to an indictable fine? This does not make an iota of sense.

I think addressing the question of privacy is fundamental. The way the wording is addressed in this bill needs very careful attention and some serious amendment. If this is the way one is going to look at how to deal with information that can be critical to the well-being of society, then I am sure this government did not intend it to be this way. It would be very poorly founded and certainly not acceptable in the public eye.

• (1745)

Mr. Boudria: Mr. Speaker, I rise on a point of order. In order for my colleague to be able to participate in the discourse and given that there is only one minute before the proceedings are to be interrupted for the taking of the deferred vote, I wonder if I could ask the Chair to call it 5.45 p.m. If I keep going for another 30 seconds the Chair will not have even to do that because it will be 5.45 p.m. by then.

The Acting Speaker (Mr. DeBlois): It being 5.45 p.m., pursuant to Standing Order 45(5)(a) the House will now proceed to the taking of the deferred division on the motion at report stage of Bill C-73, an act to amend the Canada Post Corporation Act.

* * *

CANADA POST CORPORATION ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-73, an act to amend the Canada Post Corporation Act, as reported (with amendments) from a legislative committee; and Motions Nos. 1, 2, 3 and 4.

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

The House divided on Motion No. 1, which was negatived on the following division:

(*Division No. 426*)

YEAS

Members

Anawak	Angus
Assad	Bélair
Bevilacqua	Boudria
Brewin	Butland
Comuzzi	Crawford
Dingwall	Ferguson
Finestone	Flis

Fontana	Foster
Fulton	Gaffney
Gagliano	Gauthier
Harb	Hovdebo
Hunter	Jordan
Karpoff	Keyes
Kristiansen	Langan (Mission—Coquitlam)
Laporte	Lee
MacAulay	MacLellan
Manley	Marleau
McCurdy	Mifflin
Milliken	Mills
Murphy	Nault
Parker	Pickard
Proud	Prud'homme
Riis	Samson
Simmons	Speller
Taylor	Vanclief—50

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bouchard (Roberval)	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Cole
Collins	Cooper
Corbeil	Corbett
Côté	Couture
Danis	Darling
de Cotret	Della Noce
Desjardins	Dick
Dobbie	Domm
Dorin	Duplessis
Edwards	Fee
Ferland	Fontaine
Fretz	Friesen
Greene	Grey (Beaver River)
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hockin
Horner	Horning
Hudon	Hughes
Johnson	Joncas
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDougall (Timiskaming—French River)	MacKay
Marin	Masse
Mayer	Mazankowski
McCreath	McDougall (St. Paul's)
McLean	Merrithew
Monteith	Nicholson
Oberle	O'Kurley
Paproski	Plourde
Redway	Reid
Ricard	Robitaille
Roy-Arcelin	Saint-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Thacker
Thompson	Thorkelson
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vankoughnet
Vien	Vincent
Weiner	White
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—117	

PAIRED MEMBERS

nil/aucun

• (1810)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare Motion No. 1 lost. I therefore declare Motions Nos. 2 and 4 lost as well.

The next vote will be on Motion No. 3.

Mr. Gagliano: Mr. Speaker, I think you will find there is unanimous consent for applying the results of the vote that has just been taken to Motion No. 3 and then applying them in reverse to the report stage.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent for applying the results to Motion No. 3, as proposed by the opposition Whip, and for his proposal concerning the report stage?

Some hon. members: Agreed.

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

(*Division No. 427*)

YEAS

Members

Anawak	Angus
Assad	Bélair
Bevilacqua	Boudria
Brewin	Butland
Comuzzi	Crawford
Dingwall	Ferguson
Finestone	Flis
Fontana	Foster
Fulton	Gaffney
Gagliano	Gauthier
Harb	Hovdebo
Hunter	Jordan
Karpoff	Keyes
Kristiansen	Langan (Mission—Coquitlam)
Laporte	Lee
MacAulay	MacLellan
Manley	Marleau
McCurdy	Mifflin
Milliken	Mills
Murphy	Nault
Parker	Pickard
Proud	Prud'homme
Riis	Samson
Simmons	Speller
Taylor	Vanclief—50

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bouchard (Roberval)	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Cole
Collins	Cooper
Corbeil	Corbett
Côté	Couture
Danis	Darling
de Cotret	Della Noce
Desjardins	Dick
Dobbie	Domm
Dorin	Duplessis
Edwards	Fee
Ferland	Fontaine
Fretz	Friesen
Greene	Grey (Beaver River)
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hockin
Horner	Horning
Hudon	Hughes
Johnson	Joncas
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDougall (Timiskaming—French River)	MacKay
Marin	Masse
Mayer	Mazankowski
McCreath	McDougall (St. Paul's)
McLean	Merrithew
Monteith	Nicholson
Oberle	O'Kurley
Paproski	Plourde
Redway	Reid
Ricard	Robitaille
Roy-Arcelin	Saint-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Thacker
Thompson	Thorkelson
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vankoughnet
Vien	Vincent
Weiner	White
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—117	

PAIRED MEMBERS

nil/aucun

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

• (1815)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons) moved that the bill, as amended, be concurred in at the report stage.

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

(*Division No. 428*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bouchard (Roberval)	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Cole
Collins	Cooper
Corbeil	Corbett
Côté	Couture
Danis	Darling
de Cotret	Della Noce
Desjardins	Dick
Dobbie	Domm
Dorin	Duplessis
Edwards	Fee
Ferland	Fontaine
Fretz	Friesen
Greene	Grey (Beaver River)
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hockin
Horner	Horning
Hudon	Hughes
Johnson	Joncas
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Lewis	Littlechild
Loiselle	Lopez
MacDougall (Timiskaming—French River)	MacKay
Marin	Masse
Mayer	Mazankowski
McCreath	McDougall (St. Paul's)
McLean	Merrithew
Monteith	Nicholson
Oberle	O'Kurley
Paproski	Plourde
Redway	Reid
Ricard	Robitaille
Roy-Arcelin	Saint-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Thacker
Thompson	Thorkelson
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vankoughnet
Vien	Vincent
Weiner	White
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—117	

NAYS

Members

Anawak	Angus
Assad	Bélair
Bevilacqua	Boudria
Brewin	Butland
Comuzzi	Crawford
Dingwall	Ferguson
Finestone	Flis
Fontana	Foster
Fulton	Gaffney
Gagliano	Gauthier
Harb	Hovdebo
Hunter	Jordan
Karpoff	Keyes
Kristiansen	Langan (Mission—Coquitlam)
Laporte	Lee
MacAulay	MacLellan
Manley	Marleau
McCurdy	Mifflin
Milliken	Mills
Murphy	Nault
Parker	Pickard
Proud	Prud'homme
Riis	Samson
Simmons	Speller
Taylor	Vanclief—50

PAIRED MEMBERS

nil/aucun

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Friday, February 26, consideration of the motion of Mr. Blais that Bill C-109, an act to amend the Criminal Code, the Crown Liability and Proceedings Act and the Radiocommunications Act, be read the second time and referred to a legislative committee in the Departmental envelope.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am pleased to rise to speak to second reading debate of Bill C-109, a bill to amend the Criminal Code, and to deal with a number of areas that are not necessarily all related. The bill purports to deal with a balance between the need for privacy and the need for effective policing. It also purports to deal with the need for privacy in telephone conversations.

The bill has been a long time coming. Some years ago, at least since the 1988 election, the Supreme Court of Canada in a number of decisions, notably the Duarte decision, the Wong decision and the Garifoli decision, pointed out certain inadequacies in our current Criminal Code legislation dealing with police investigation, police surveillance, and the rules used in our courts of law, our criminal courts, to deal with exclusion of evidence and admission of evidence used in convicting criminals.

One of the first things noted was that when certain types of evidence was found by the court to be excluded and certain investigative techniques used by police—these techniques are not just used in Canada but are used all over the world—it in fact made investigations and individual policemen sometimes vulnerable.

I recall in metropolitan Toronto the reaction of the police community when it was found that the use of body packs, that is recorders and transmitters, by policemen working under cover was found to be illegal. In many cases those body packs were not used just to gather evidence but were used to protect policemen. They were used as electronic lifelines, so to speak, from the undercover officer through to those monitoring the investigation. Those undercover techniques, those body packs, those electronic lifelines, sometimes were indispensable in providing protection to policemen and informers who were working under cover.

I may be understating it a bit but I can say they were concerned. They were disturbed that our country's highest court had made so many of them potentially vulnerable to a criminal class that really did not give a damn about the protection of the police and in many cases would stop at little to achieve its ends.

• (1820)

In response to that there have been many requests in this House and from police departments, the Canadian Association of Chiefs of Police, and bodies representing policemen to rectify the situation to protect the police, all the while the courts operating to apparently provide protection to the criminals who were being convicted. This bill goes a long way to rebalancing and restructuring the playing field so that our policemen can operate in our best interests.

The first area the bill touches on deals with surveillance by the state as opposed to surveillance by individuals. It occurs from time to time that police will want to monitor by telephone or by camera with sound or other devices, movements and criminal acts of the criminal element. The common situation that we often see is the drug deal; we have seen enough of them reconstructed on television. There is the purchase and sale of stolen

goods, the trafficking in prohibited weapons, trafficking in human bodies and procuring for purposes of prostitution. All of these types of things make it is very useful to have a recorded record of sounds, of video.

The Supreme Court found over the last two or three years that it could not permit the state, which acts for all of us, to engage in these monitoring activities unrestricted. It found that it was unacceptable and, therefore, if the state was going to use any evidence of the sound or video recording, or whatever, it simply was not going to permit it as admissible evidence unless the state got some kind of a warrant. Up to this point, the state really only had to obtain warrants for wiretapping. This was the first field where our laws required police to obtain warrants for that type of surveillance. That had come quite a distance from the old days when about all you ever needed a warrant for was to go into a private dwelling and/or do a search.

In any event, the court was really inviting Parliament to regulate the field. It was saying to Parliament that these types of activities by the state in pursuance of criminal investigations were not acceptable unless they had a judicial sanction.

What this law will do then, and I am stating it very briefly, is provide the mechanism for the state, for the police, to obtain a warrant to do any kind of surveillance using the usual techniques of videotaping, with or without sound, and wiretapping. The procedure is available and it has been streamlined so that police can go to a provincial court judge as opposed to a district or county court judge. That means that there are more judges available and the procedure is stated clearly in the amendments. The police know what they have to provide to the judge; the judge knows what the criteria are and what has to be done before the warrant can be used and the surveillance undertaken.

The provision for obtaining warrants for all types of state surveillance is something that I think most Canadians will see as a good thing. I hope they do. It manifests and reflects the protection of our privacy that the charter envisaged when it was put in place, and it will require the state to be more organized when it embarks on these surveillance exercises. The law does not require the average citizen who is out with a video camera or recorder to obtain a warrant. These laws pertain only to actions by the state.

• (1825)

The procedures involved have been streamlined. One of the areas that had been a problem was after the police had obtained a warrant. The person who was charged or convicted would often question whether or not the warrant that had been obtained was obtained properly. Often the warrant was obtained on information from informers and innocent third parties, people operating undercover.

We had the situation where the criminal wanted to see the information and who provided the information for the warrant. This information is usually kept in what is called a packet. The packet is a sealed envelope which contains the affidavit evidence and other materials that permitted the judge to make the decision to issue the warrant.

This statute also provides some direction as to how a court would review what was in the packet. The accused who under our law has the right of full disclosure, has to know the basis on which he or she has been charged or how a warrant was obtained. There are procedures now inserted in the code which will permit the accused to know what is in the packet but not to know who provided the information. Innocent third parties, informers and ongoing police intelligence operations will be protected.

A section of the bill deals with admissibility of evidence. There was a section in the code which said that evidence which was obtained not necessarily legally or illegally but arose out of a situation where there was not a warrant was questionable in terms of admissibility.

There was a section in the code that dealt with the criteria for admitting it. There is also a section in the charter which deals with admissibility of this indirect evidence. The government has decided to drop a number of the sections in the code in deference to the test in section 24(2) of the charter. I am very interested for discussion at committee on the implications of that decision. I am sure there will be some reasonable

explanations because whatever we do here you can be sure will be argued in criminal courts for many years to come.

A mistake made at this stage, using 20-20 hindsight, one error in judgment on our part could result—and I am guessing—in millions and millions of dollars of litigation in the criminal courts. It is extremely important at this second reading stage and the exercise at committee that we do it properly.

Another item I wanted to mention is a far-sighted proposal. The government recognizes, as do parliamentarians, that investigative techniques may evolve. We are thinking about new technology and it may well be that it would be inappropriate for the state to use those new techniques. This section provides that where the state proposes to embark on a surveillance or monitoring exercise using any of these undefined new techniques, a warrant is available for that. Usually it will be the police who will present their proposal for monitoring to a judge and a judge will then approve. This proposal will then regulate a field which perhaps has not even evolved yet. We are certainly dealing with the image of Big Brother here. I think that inserting a provision in the code now to deal with these types of things in the future is probably very useful.

• (1830)

There are sections dealing with tracking and monitoring devices. There are also sections dealing with, as I mentioned earlier, the body pack situation where the undercover policeman needs to know that his colleagues are monitoring him or her as he or she proceeds with the undercover work. I note for the record the section requiring the evidence to come from these body packs, this type of surveillance, is meant to protect the policeman or the undercover person. This evidence cannot be used in court for the charge for which the investigation has been undertaken.

However the proposed provisions do permit that evidence to be used where charges relating to bodily harm with respect to the undercover person are laid. I have noted, as have others, that the evidence is not usable for perjury in the event that the accused perjures himself or herself. I would for the record note that the legislative committee should be considering the use of that body pack derived evidence for perjury charges under the Criminal Code should that eventuality arise.

The next area has already been addressed by colleagues in the House. It pertains to protection of privacy for cellular telephone calls. I had introduced a bill concerning this two or three months ago. The purpose of the bill was to provide the same privacy protection to cellular telephone calls as already exists for regular line based magnetic acoustic telephone transmission.

The government has taken a different route and I am interested in its rationale. Rather than making all telephone conversations carried by a telephone carrier private and undisclosed, non-tappable and non-interceptable, the government has provided that any interception that is done maliciously or for gain will be an offence. That has to do with the interception.

If you happen to be scanning and intercept a cellular call—some say it is just a radio transmission—then the fact that you do it innocently and not for malice or gain would not be an offence. However a second section states that where you disclose what you have intercepted, that disclosure would be an offence. That is the approach of the government.

It raises a couple of more questions. One of them is the charging section where it says it is an offence to disclose the contents of a cellular call. It says that it is an offence to disclose the mere existence of the telephone call. This is a potential problem because we are not talking about the contents of the call, we are talking about its existence.

Someone who is overhearing one of these calls intentionally or not, may simply say to a friend: "Hey, I am just picking up this phone call". In fact, under the terms of this section as now drafted that appears to be an offence. I am not sure that is what we intend. I want to have a closer look at that to make sure that we are not creating criminal offences which we did not intend.

I am very pleased to see that all of these different changes which are overdue have been placed in this bill. At least there is legislation to try to rectify omissions and gaps in current legislation.

• (1835)

My sense of it is that the legislation attempts to balance the privacy rights of all Canadians. That means me and everyone out there who uses telephones, who are out on the streets unknowingly with criminals. The police have all of the technology in the world at their disposal. It is an attempt to balance our privacy against the needs for an effective police investigation and surveillance when the law has been broken.

The law continues the regime of placing a judge's decision between the issuance and the request for the warrant. Under all of the conditions that exist in our modern democracies, that is the best system I think we have come up with.

The bill also goes a long measure to protecting the needs of individual police as they carry out their work on our behalf.

I am pleased to see the bill. I have raised two or three questions that I want to see taken up at committee. Until they are dealt with it is difficult to indicate the support for all elements of the bill, but I do see the bill being dealt with as quickly as possible.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to participate in the debate on Bill C–109 tonight. In part it is because I am one of those one million cellular phone users. It is also because I have an understanding of the issues involved in terms of the question of privacy, the question of public need and the protection and support of our police forces as they use modern technology in order to obtain the appropriate evidence to put those in violation of the Criminal Code in their rightful place.

Let me start my remarks by repeating the words that are on labels on the telephones probably in most Department of National Defence installations throughout Canada, if not the world and I would suspect in external affairs offices as well. The sticker states: "This line is not secure". That is a warning for the user of a land line that someone may be listening out there.

This bill talks about cellular phones. I think many people forget that a lot of the calls which are either sent to or received by a cellular phone are land lines. Those are the phones in our offices, homes or cottages. It is not just cellular phone conversations that have been listened to by those people who have scanners or those people whose passion in life, shall we say, is listening in on other people's conversations or who for purposes of making a living, through the print or electronic media, are looking for ways to get information for stories.

I have always worked on the assumption that whether I am on my cellular phone or a land line someone somewhere is listening to me. I am not suggesting that someone is tapping my line, but we know the technology is there for governments to be able to scan the other, to scan microwaves, to pick up the symbiotic emissions from land lines from copper and to detect what is being said as people talk to one another.

Let me take it back a little bit. What we are talking about is how to deal with a conversation between two individuals. We have laws in place that protect an individual's privacy in his or her own home speaking to somebody else within the same dwelling. Only through certain procedures can a government agency, that is, a police department or a security service, intercept and record that communication and then use the words that were said and duly recorded in a court of law.

• (1840)

We also established the ability of those same agencies to intercept a communication made over a telephone wire. The courts have recently ruled that those communications, as I understand it, in their entirety must require a court order before they can be used in a court of law.

Up until a couple of years ago one party to a conversation had the right to give permission to the police department to have those conversations monitored and used in a court of law to prove that a violation of the Criminal Code had occurred. Regretfully the court struck down that law.

In my own community we had a case where an individual, according to all the evidence obtained through this wire intercept, was as guilty as one could be. However, because permission had been given by one participant in that phone conversation and because a court order had not been obtained that evidence was no longer admissible and the severe charges were thrown out of court.

This bill returns the ability of our police departments when an individual consents to their conversation, whether it is one that they originate or one that they

receive, to use it in a court of law. That is an important and very positive step.

Again, I believe strongly that the police departments must have the ability to wire their police officers so that they can be in constant voice communication when they are sent into extremely dangerous situations. That could be anything from a hostage taking to any kind of street battle. There has to be the ability for the conversations that are recorded as a result of that transmission to be used in a court of law for the furtherance of justice. At the same time I recognize the importance of ensuring that due process is considered so that it cannot be done at random. There has to be a just cause for the use of this procedure.

Let me turn to cellular phones. As I mentioned earlier I have always been of the belief that somebody is listening to every conversation I have no matter what phone I use. Whether it is a phone that fits into my pocket, one that is attached to my car or one that I plug into the wall at home, whether it is a direct line or one of those hands-free phones, somewhere out there someone is listening.

We are talking about degrees of accessibility. There are those phones that have a range of 100 or 200 feet. You can take it in the backyard when you are having a beer in the summertime. Within a certain radius of your home, if someone has the right kind of scanner, the right kind of receiver or in fact a similar hand-held unit they can listen to your conversation. In some cases they only get half of it but in other cases they get the whole thing.

The cellular phone is a broader distribution because of the very nature of the cellular system. If anybody can tune in to your frequency, and again it might just be half of the conversation anywhere within that cell, not only can they listen but they can also record it if that is their wish.

• (1845)

This legislation makes it illegal to use the information that may be overheard, to even acknowledge or to report that you have heard so and so talking to so and so about whatever. It is imperfect legislation, but then the existing laws for land lines, for overhearing people having conversations in their own homes is also imperfect. We need to recognize that.

I would love to see this House pass a law that required all cellular phones to be encrypted so that once the signal left the cell transmitter it would be in a scrambled form and would not be descrambled until it got into the set in my hands. Perhaps over time we can work toward that in a way that is inexpensive to the user.

In the meantime, this bill goes a long way to providing protection so that people who maybe are forgetting that the line is not secure or that maybe do not care but do not realize the ramifications will not find their names and their conversations in the headlines.

Obviously we are not all of the Royal Family calibre. We are not necessarily cabinet ministers. We have not been at the constitutional table. However, there may be business and personal matters that are of no business to anybody else. Because we are public figures or because it is a neat or sexy story, someone will decide to publish it. Or someone will decide to take the tape of that conversation and share it among their friends to a point where the retelling of the story becomes so distorted that reputations are damaged.

That is why I support this particular piece of legislation. I know there are some concerns about civil liberties. I recognize in committee that these matters will be dealt with in a very serious and appropriate way. We do have to be careful that in trying to protect certain rights of certain people that we do not override the rights of society as a whole. That is what democracy is all about: Finding that balance of not giving up one for the other but finding the even keel.

It is an important piece of legislation. I look forward to its passage at second reading and then on to committee where I know it will get excellent study by members of this House and then back to this House for third reading.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, it gives me great pleasure to speak briefly on this piece of legislation. It is a progressive bill and addresses to a great extent many of the concerns in the community with respect to those who try to enforce the law and to the public at large.

I would like to speak on the aspects of the bill which deal with the cellular telephone. Specifically, this bill will try to give radiocommunication similar protection as is

now given to other private communications as required by recent technology advancement.

In other words, someone who uses a cellular telephone is entitled to the same privacy as someone who uses a regular telephone. As it is and as my colleague from the NDP has mentioned, it is definitely possible for someone to listen to a conversation between two people. There are technologies that can be used to allow that particular individual to overhear a conversation between two people.

• (1850)

If you are making a long-distance call to another city and using the regular wire line to the central office, at one point or another that particular conversation will go up in the air whether we use a microwave or other type of transmission system. Once it is up in the air it is up for grabs and anybody can listen to it.

The previous legislation protects those people who use regular telephones, but does not protect those who use cellular phones. The government is adding the cellular telephone to the list of equipment protected by the existing legislation. It will also be protected by the proposed legislation.

I am interested in this legislation on cellular telephones because I think the cellular telephone is like any other piece of telecommunications equipment in our society. It makes us proud, as Canadians, that our industry is doing extremely well in the field of telecommunications. I would say Canada is the number one country in the world in terms of the telecommunications industry and the industry's capabilities in high technology fields. When it comes to economic renewal and economic development, it is doing extremely well. That is something we should be very proud of as policy makers and legislators. Every time there is an opportunity for us to have a new breakthrough, we should grab that opportunity and try to help the industry prosper and move forward.

You will be happy to learn that the cellular telephone industry has grown at an incredible rate here in Canada, perhaps more than any other country in the world. This industry presently employs more than 3,000 people and its annual revenue is about $500 million per year. The transmission system is the largest anywhere in the world.

In fact, Cellnet Canada has the longest corridors of cellular service anywhere in the world. The first corridor stretches from Windsor, Ontario to Halifax, Nova Scotia, which is over 2,500 kilometres or in excess of 232,000 square kilometres of continuous cellular service. That is a lot of space. A second corridor stretches from the Rocky Mountains to Ontario and covers in excess of 1,600 kilometres or 120,000 square kilometres of cellular coverage. That is the largest coverage that exists anywhere in the world.

There are close to one million subscribers to the cellular systems in Canada today. Considering that the industry came into the market only about eight years ago, that is a tremendous number of people who have moved to this technology. Cellular telephones are no longer like the ham radio or CB radio that people might use for fun or entertainment. It is an instrument that many people use today for business. Everybody in this House agrees that small businesses generate over 80 per cent of jobs anywhere in Canada, and over 54 per cent of people who use cellular telephones actually work for companies that employ less than 15 people. Most of these people are professionals, whose average age is about 40 years and average household income about $63,000 a year. We are talking about people who use cellular telephones for business and not fun.

• (1855)

Most of these people work in construction, manufacturing, real estate and the business service area. When two business people are discussing business over the telephone, making a transaction or trying to inquire or exchange information, one of the last things they want is for Joe or Sue on the other end of the line to listen to their conversation and try to butt in on the deal or get wonderful bits of information.

I can understand the frustration that exists now in the community and the concern about lack of privacy. Of course, some people are going to say the purpose of this piece of legislation is to help out the industry and the cellular telephone companies. Well, of course it is. We should be proud of the fact that as legislators we are doing everything we can to help our industry prosper. The community is also demanding the same kind of protection for cellular telephones as exists for normal telephones.

There is nothing to be ashamed of here. Some may say it is their right to find out what is happening, but this is almost like somebody coming to your doorstep and putting his or her ear to your door trying to listen to a conversation between you and a member of your family. That person can eventually come to us and say it is their right to know and find out what is happening between you and a member of your family.

It is important for us as a society to balance the two fundamental rights: the individual right to freedom of expression and privacy, and the collective right of society as a whole. In my view this piece of legislation does just that. It provides, to a large extent, a balance between what is considered to be the individual's right and what is considered to be a collective right, my right to privacy and the right of society to protection.

That is why one segment of the bill gives members of our police force the right to use electronic surveillance where they believe there is a dangerous situation and a need for intervention by the authorities.

We have the right of the community to protection and safety, and a provision whereby this bill will allow people in authority to have access to information that takes place between two individuals in our society.

This bill goes a long way toward providing the industry with the necessary infrastructure to launch it further, rather than creating a set-back and scaring off the consumers as well as the professionals who are using cellular telephones on a daily basis.

A lot of people who are watching now are probably thinking they should really think twice about buying or renting a cellular telephone. Of course it is the individual's decision. It is not a decision you or I can make for them.

I would like to bring to the attention of the House that by the year 1996-97 cellular telephone use will increase by about 25 per cent. In other words, by the year 1996-97 in excess of 1.5 million Canadian men and women may be using cellular telephones. Of course, many of those users will want to see some sort of protection.

You can compare that to the United States. The United States has had a tremendous increase in the use of cellular telephones. As a matter of fact the industry in the U.S. generates in excess of $6.7 billion a year. When we talk about that large industry and that large and wide market it is another opportunity for our industry to eventually launch into the United States and elsewhere around the world.

• (1900)

The United States has in excess of about nine million subscribers. When you look at the proportion between Canada with about 26 million people and the United States with about 10 times that and the penetration of its industry and compare it to ours, there is a very good balance between what the Americans have been able to do there and what we are doing here. The rate of increase in the United States is about 9 per cent on an annual basis. We are ahead of that and we are doing just fine.

Moving a little beyond this particular bill, which in fact does address the issue to a point, I would like to see work being done on the question of faxes and access to information.

My colleagues and I receive a whole pile of faxes on a daily basis. One would question the necessity of sending some of the correspondence by fax. Perhaps it would be better to use the mail. I hope that some time the government or future government will look at the possibility of trying to do something to control the flow of information via fax.

This legislation also protects information coming over the fax machines. That information is treated as being similar to voice or computer information being sent. Fax users are in fact protected.

My advice to Canadians and those who might be watching or listening is that whenever you are using your cellular telephone assume at least half the city is listening. This legislation is not going to solve your problem. If you are dealing with a business matter it is preferable not to discuss it on the cellular telephone.

I know there is a tendency to go on and on when you are on the line. Eventually you divulge a lot of information about a business contract or a discussion as it relates to information you might not want to disclose over the line.

There are a few points that can be addressed at the committee level and I hope the bill will go to committee. For those who might have some concerns in the industry or the the community, I would suggest that the committee level is the best place for those concerns to be addressed.

Of course this bill is a first step. It is a bold step and one that I look at with great enthusiasm. I think it is timely.

I do not know what else can be said. When one runs out of ammunition it is better to just move on, fold your tent and sit down. On that note I will do just that. I am delighted to see the bill come forward and I am delighted to see the government moving ahead with this bill. I want to congratulate the cellular industry in Canada which has done an outstanding amount of work. I am very proud of them.

It is probably the first time all of the major cellular telephone companies in Canada have come together to set up a strategy to help users get the maximum benefit from the system. There is some fine tuning that needs to be done but they are doing just fine and I am proud of them.

• (1905)

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee in the Departmental envelope.

* * *

CANADA ELECTIONS ACT

MEASURE TO AMEND

Hon. Gerry Weiner (for the Minister of State and Leader of the Government in the House of Commons) moved that Bill C–114, an act to amend the Canada Elections Act be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Mr. Speaker, I rise on a point of order. Pursuant to Standing Order 73(3), I move:

> That the motion for second reading of Bill C–114 be amended by having the bill referred to the Special Committee on Electoral Reform rather than a legislative committee in the Departmental envelope.

Motion agreed to.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, now that I am no longer Whip perhaps I will speak on debate a little more often. It is something for the House to contemplate.

It is a particular pleasure this evening to be in the position of making the lead speech on Bill C–114, an act to amend the Canada Elections Act. I say that for two reasons. There is probably nothing that we do in this Chamber that is more fundamental to the continuation of our form of government, our democratic system of dealing with people, than to consider the issue of the Elections Act and how the people are chosen to sit in this Chamber to act on behalf of the Canadian people.

If we do it wisely and well, then democracy is enhanced. If we do it badly, then democracy is bruised and hurt. Hopefully history will say that the package of amendments before us for consideration in Bill C–114 plus other work to be forwarded to this House by our committee will turn out to be measures that have helped our sense of democracy and their importance in our system of government.

I would like to begin by paying tribute to the Royal Commission on Electoral Reform. Its members worked very hard for approximately 28 months, from November 1989 to February 1992. There were five commissioners in all and they produced perhaps one of the largest royal commission reports in Canadian history.

The basic summary information of the commission's findings is contained in four volumes. These are augmented by over 20 research volumes, not all of which have yet been published. The work they did was substantial. The research work that they commissioned and had performed on their behalf will constitute research material in universities for decades to come. The report really was an extensive body of work.

Because there were 275 recommendations and because there was such a large volume of reporting, the House in its wisdom determined in February 1992 that it was wise to set up a House of Commons special committee to examine the royal commission report and to make recommendations to the House as to what actions it should contemplate and take.

The committee was set up one year and one month ago. I had the honour to chair that committee, and it has indeed been an honour. It has also been a pleasure because of the degree of co–operation we have had

beginning with the members of the committee themselves.

Mr. Prud'homme: Name them all.

Mr. Hawkes: Name them all. The members of the committee represent competing political interests in the country and those in the House. They also share a common feeling about the importance of electoral law in Canada, the importance of our democratic traditions and the importance of the continuation of those democratic traditions. That shines through in the degree of willingness to sit long hours, to consider carefully the alternating and different points of view from all committee members and some of those who substitute from time to time, to listen carefully to the staff and to consider recommendations and points of view that are advanced by them.

• (1910)

They deserve a lot more credit than they are likely to get in their home constituencies because the consideration of a report is the primary activity. It is certainly not as public an activity as many other things that could engage our time and attention but it is fundamentally important and I want to recognize that reality in these Chambers.

I would also like to say thank you to those who were witnesses before us. There have been more than people might realize. Even as we drafted the reports we issued an invitation to Elections Canada to be present for the bulk of the time we spent together. At some cost to them in terms of their personal lives and certainly in terms of the resources of that institution, they have complied with our request and have been very helpful to us in providing their experience and their expertise as we consider alternate ways of making recommendations to the House and in particular to the wording to come forward to the House.

It is not often that a committee has an adequate chance to measure its success but I think in this particular instance committee members can feel justly satisfied that their work has been paid attention to. Bill C-114 is remarkably similar to the committee's third report which was our first substantive report laid before the House on December 11, 1992. There are a few deviations, most of them of a technical nature, with some advice from the Department of Justice. Most of those changes I think are things that committee members could agree with.

There are one or two elements which have been introduced from cabinet discussions on which committee members are not solidly in agreement, but I am sure others will discuss those at a later point in this debate.

The result of the committee's report and the subsequent legislation is a document of 114 pages in length which simply amends part of the Canada Elections Act. For those who are listening tonight who have never examined 114 pages of legislation let alone 114 pages of amendments, they might be surprised at the level of detail and complexity which is involved. It really is quite remarkable.

What is also remarkable is the Canadian way of reporting news. If you examine the proposition before the House, 112 of the 114 pages deal with how people should vote and who should vote. The changes are rather substantial and we think very positive. I will come to some of those details in a minute.

There are a few clauses that deal with some other issues that in a timing sense needed to be dealt with now. The committee preferred to have them dealt with now rather than in phase two and the press attention has centred on that. Those things are rather minor in the total scheme of things compared to what the bill is all about.

I know from my own experience I have had difficulty convincing television, radio and print media to do an article or a think piece or a news piece on what the bill is all about. It is almost as if it did not exist, not because it is not important, but simply because it is not as interesting perhaps as some other things which are less important but perhaps more exciting for their audience.

This bill in its main focus answers the question of who can vote and how they will vote. They are major changes. Let me just list some so people can consider them.

First, in all of Canada's urban areas if you do not get your name on a voter's list by 17 days before voting day there is no way for you to vote. All of us who have run for public office have been in contact with hundreds and hundreds of Canadians who simply were out of the country or out of their riding when the enumerators went by their homes and they did not get on the list. They did not know they were not on the list. They show

up at the polling place to find out that they have been disenfranchised and cannot vote. It was a big problem during the recent referendum, a lot of complaints.

• (1915)

This bill solves that problem in two ways. You will be able to get your name on the voters' list up to five days before voting and then you will be able to walk into the poll in rural or urban areas, the proper place, and sign up to be on the list on voting day. It may be a little inconvenient for some people perhaps. They will have to travel a little further to get on the list on voting day. It is much better for them to get on the list early but no Canadians will be disenfranchised in the next federal election simply because they did not get their names on the list in time if the House passes this bill in time and makes it the law of the land. It is a major change which will be welcomed from coast to coast.

The second change will allow people who are absent from home during critical voting periods, such as voting day, to be able to vote. That may not sound like a whole lot but let me start with the smallest part of it.

There are people who cannot make it to the polls. They have physical handicaps of one kind or another. They may be just a block or two away. Up to now they had to vote by proxy. They had to give somebody else the right to go to the polling station and vote in their place. Therefore, somebody else knew their voter intention but they had no way of knowing whether that person voted the way they wanted them to or not. It was a proxy voting situation. We are putting in place a system that will allow Canadians in that situation to cast their own ballots in their own homes. The sealed ballot will be returned for counting to an appropriate place.

That same system will apply to Canadians who are away from their ridings during the voting period. They may be looking after a sick relative in another part of the country. Their employer may put them on a course or on a temporary assignment to another part of the country. They may be seismograph crews working in isolated areas on boats and ships and things of that nature. They will be able to vote wherever they are. Let us say it is somebody from Calgary who is working in Fredericton, New Brunswick. He or she will be able to go into a returning office in Fredericton, make arrangements to be put on the voters' list in Calgary, and he or she will be able to vote in Fredericton for the candidates in Calgary. It is unprecedented in Canadian history.

Third, but not last and not least, is that Canadians who are living abroad but planning to return to Canada and who have been living abroad for less than five years will be able to register on a permanent voters' list. So Canadians who are listening tonight, when the law is changed if you happen to be leaving the country, you would be able to register. If an election occurs in your absence you will receive a ballot and have the opportunity to cast that ballot, return it to this country and have it counted. It is a system similar to ones in most western nations that allow their citizens living abroad temporarily to vote.

This may or may not work with practice. It may require some modification in the future, but it is a bold new step recommended first of all by the commission, endorsed by the committee and presented to the House, picked up by cabinet and is now before us in the form of legislation.

The five-year limit will not apply to Canadian military personnel and dependants serving abroad. It will not apply to our diplomatic corps, those who serve Canada abroad at a civilian level and their dependants. It will not apply to provincial civil servants who serve their province abroad and to their dependants as well. This is the first time provincial civil servants have had this opportunity. There has been a system for military personnel and diplomatic personnel in the past. The system has changed somewhat but we think it will be every bit as efficient.

• (1920)

If you read the election law that sits on bookshelves today, Mr. Speaker, you will find a lot of exclusions of people who cannot vote for one reason or another. One that comes immediately to mind is judges. Under Canadian election law it has been struck down so judges are really allowed to vote but the law says they cannot.

When this new law is in place it will be restricted to two categories of people who will not be able to vote. All Canadians 18 years of age and over will be able to vote with the exception of two categories of persons. The first category will be those sentenced to a prison term of two years or longer, in other words those who have committed a crime serious enough to warrant that length of

sentence and who are still in prison at the time of voting. The second category will be those Canadians who are living abroad, have lived abroad continuously for five years or longer, or have no intention of returning. Those are the only two excluded categories.

That is a grand simplification. It opens the door to an unknown number of new voters. There have been estimates of between one million and two million more votes being cast in the next federal general election because of the sum total of these changes. They go back to enumeration, getting one's name on the list, being able to swear in on election day, living abroad, being in another part of Canada, and proxy voting being replaced by voting in one's own home for those who are physically handicapped. All those measures taken together produce some unknown quantity of voters. Our predictions would be that the next federal election would produce more voters than at any previous time in Canadian history and that the difference would be substantial. Our democracy will work a bit better because of that.

I want to deal with the future work of the committee and to implore the House on a couple of issues. Bill C-114 needs quick passage. We intend to move it quickly to committee to commence clause-by-clause consideration, to go through it and to be able to make amendments members propose to make the law better. It must be in place as quickly as possible or the Chief Electoral Officer will not have the administrative time necessary to put the new systems in place.

I ask the House to bring forward whatever solid ideas it has for positive change, but let us not unduly delay the passage of Bill C-114 because the nation will benefit from it and the nation needs it.

Some people are worried about a lot of items that are not in Bill C-114. Committee members have absolutely no difficulty in understanding those worries which belong for the most part in what we refer to as phase two or phase three. The committee began over two weeks ago considering a draft report on phase two. Phase two will deal with all the communication issues, all the expenditure issues, and all the enforcement issues.

If we can report to the House on those issues by the end of March, if we can see legislation by the first part of May and pass it into law by the end of May, all those phase two issues can be in place in law and implemented well before the next federal general election.

Mr. Milliken: It should be this May.

Mr. Hawkes: It should be this May.

Mr. Milliken: The election should be this May.

Mr. Hawkes: "The election should be this May". It is unlikely. I would predict the election will probably commence some time this summer with voting in late summer or early fall.

For those members and people in the community worried about the communication issues, worried about the expenditure limits, rebates and definition of election expenses, and worried about enforcement issues, the committee's work is well advanced. I see no difficulty in the committee reporting before the end of March. That leaves sufficient time for the House to act and for us to have changes in place in plenty of time before the next federal general election.

• (1925)

The third part of our work, phase three, will deal with a number of issues such as redistribution, nomination meetings, registration of local associations, aboriginal constituencies, leadership contests and a number of other items in the Lortie commission report, none of which can come into force before the next election because we are too close to an election for them to be put in place and for them to be acted upon.

In terms of our timetable in phase three, if the committee can report by the end of April, if we have the month of May for the presentation of a piece of cabinet legislation and pass it in June, the entire *remaniement*, the entire change to the Canada Elections Act, the entire overhaul, can be accomplished by this Parliament in a truly positive fashion.

After one year of hard work by the committee we have eight members of Parliament whose expertise in these matters grows almost daily and whose efficiency and relationship to these matters get a bit better.

There are a few other changes in this legislation I would like to touch on briefly, to spend perhaps two minutes on. There are some items in here which will

save Canadian taxpayers money. One of those which is key is the clause that allows elections to be conducted without a full enumeration when they are close enough to a previous electoral event such as the recent referendum.

There is another provision which will allow, where circumstances warrant, the creation of a voters' list by a single individual rather than a pair. These things will save the system some money.

There is another set of clauses which puts the responsibility on political parties to be more involved with local returning officers and to provide them with sufficient people skilled in electoral matters to conduct a good election.

There is a provision which makes sure that at every ballot box and at every step of the process we are represented by competing political interests. It is the principle of competing political interests which is our best protection against fraud. Those are expressed in these amendments more clearly than they have ever been expressed in Canadian election law before. I think it is a very positive step forward.

To keep people from being frivolous about their candidacy, or to aid in that regard while still encouraging people to run for public office, is a bit of a moving target. It is difficult sometimes to decide and the committee has recommended basically the process which the Lortie commission brought to our attention. Part of that process will involve a few more signatures on nomination papers, 100 in the cities and less in more rural areas.

We have also taken the idea of the deposit in a couple of directions. There has been for 20 years now a $200 deposit. That is basically raised to $500. An additional $500 deposit is required which is refundable solely on completion of the necessary paperwork for Elections Canada.

Elections Canada told us that a lot of candidates never did the paper work and it cost taxpayers many thousands of dollars to chase them down to get the necessary forms completed so the election was brought to a close. We are putting out a little bit of a carrot: Put up $500. You forfeit it if you do not do the paper work; you get it back if you do the paper work. It is just a deposit on paper work.

There is another section which proposes some limits on direct spending. Canadian election law today puts limits on direct spending for the purpose of opposing and promoting a candidate or a party, puts limits on candidates and puts limits on parties. The law itself says that no one else can spend any money.

The courts have struck that down and the Chief Electoral Officer has struck it down in one province. The Chief Electoral Officer has informed us that it is not his intention to enforce that provision. The committee has acted to put forward a few paragraphs, half a page, which would put a $1,000 limit on people other than parties and candidates who choose to be involved in the election by promoting or opposing directly a candidate or a party.

• (1930)

The reason for that at this time is simply to square the deck, to make sure that the principle which applies to candidates of parties applies to other than candidates or parties. The committee is seized of the over-all expenditure limit issue in phase two of its work and there will be a more extensive report on those matters at the conclusion of our second report.

I hope that will provide people with at least a brief summary of what is involved. I commend the bill to the House. It has the endorsation, in almost every instance, of every member of the committee. There is a slight variation on a few matters but over all we are enthusiastic about the thrust of the bill. It indicates clearly that the work done by the Lortie commission has been helpful in our achieving consensus about some very fundamental changes.

It is a user friendly system that at the same time protects Canadians against fraud. That is why it took so many words; that is why it took so many clauses. I commend it to the House.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I listened carefully to my hon. colleague, the chairman of the special committee of this House on electoral reform. He said very interesting things, as usual, but he did not really explain what the problems are with this bill. In addition, it is obvious—so it seems anyway—that his speech was intended at least in part for the leader of the government in the House of Commons who is not here today to discuss this bill. That is too bad, because I would also like to know what the hon. minister

thinks about it. I regret that he cannot be with us, considering he is always very partisan in his remarks and this would have been an opportunity for me to reply. At any rate, my point is that this bill has finally been introduced in this House, after a four-year wait.

[*English*]

The Royal Commission on Electoral Reform and Party Financing was established in 1989 or 1990—a very long time ago, as my colleague from Saint-Denis says—as an excuse for the government to do nothing in respect of electoral reform.

We regret very much the government was unable to act more expeditiously on this particular dossier. Instead, as my colleagues on the other side know, the government dragged its heels and shilly-shallied and dilly-dallied until now when we must scramble to try to get through some changes to Canada's electoral law.

It is fair to say that members on all sides have been pressing for changes to bring the law up to date at least. Instead we have had inaction. The government sat and did nothing. We have made offers before to expedite the matter to get election law on the floor of the House, discussed and referred to committee, but the government said no, that we had to wait for the report of the royal commission.

We in this party participated actively in the affairs of the royal commission from the very beginning. The royal commission had public hearings. The parties were invited to attend and make presentations, and we did so. We recommended to the royal commission that an interim report be presented to the House dealing with routine changes to the act that would update the Canada Elections Act so that it could be in place and workable in time for a general election.

Unfortunately the royal commission ignored that advice. The royal commission went on and on, as the hon. member for Saint-Denis says, and presented its final report a year ago now. Once that report came to the House it was referred to the special committee on electoral reform. That is what we have been working on since that time.

As everyone knows the referendum intervened and the Chief Electoral Officer indicated in no uncertain terms and quite understandably that as long as he had a referendum campaign to conduct he would be unable to deal with any changes to Canada's electoral system. We had to sit back and wait until the Chief Electoral Officer had completed the referendum campaign and its immediate aftermath. There was a very lengthy delay in our committee's work. Although we had started off ambitiously things got held up.

• (1935)

Here we are finally, over four years after the last election. One is due. If the government was not so contemptuous of democracy in this country it would have called an election. We are now debating changes to the electoral law to try to bring it up to date and make it something that will work in the forthcoming election.

Hopefully the law will survive court challenges that the current law is subject to under the Canadian Charter of Rights and Freedoms. The government has elected to allow the committee to do its study on this bill. Indeed, it has given the committee a great deal of freedom.

The committee has seen fit to work through the royal commission's report, adopting provisions that it can accept to propose in its own report to the House. I may say that the report of the royal commission took the form of four volumes. There has been some criticism that our committee did not adopt volume three, which was a draft bill prepared by the royal commission as the basis for proceeding in this House.

As members of Parliament who are charged with making the law of the country we looked at the new draft bill that the royal commission submitted. Large pieces of the royal commission's report could not be in place for an election since it was so late. It was not late according to its own schedule. It was just that the government should have introduced something like this back in 1989 instead of waiting. I do not intend to criticize the commission in that respect.

Given that we could not implement the bill, it hardly seemed reasonable for us to embark on a study of a whole new act where we would have to pull chunks out, put in pieces of the old legislation and redraft them in form that fitted with the bill that the royal commission had prepared.

Rather than do that, we decided that the best policy was to seek to amend the existing Elections Act in order to make changes that would adopt those parts of the royal commission report that we could proceed with and make other necessary changes in order to make the act one that complied, at least for the most part, with the

Canadian Charter of Rights and Freedoms as far as we reasonably could.

We could also make any small and necessary changes in wording to correct past errors and past problems in the act, many of which had been pin-pointed by the Chief Electoral Officer in his reports to Parliament following the general elections in 1984 and 1988.

We had our work cut out for us. The committee embarked on this detailed study of the act. The chairman has indicated how many hours we have spent in this committee toiling through draft bills. It is very tedious work. I hope this debate is a little more lively than some of the committee proceedings have been, although there have been moments of interest and excitement there.

What are the problems with the bill? I want to state, and it will become clear in the course of my remarks, that while the committee made a series of recommendations in the form of a draft bill to the House the government took the draft bill away and doctored it up a bit.

As a member of the opposition and as a member who believed we were working on full consensus I naturally have some concerns about the doctoring that has gone on. Our party supports this bill in principle. We are attempting to assist in its passage at the second reading stage. We will seek amendments in the course of the committee work on the bill and at report stage.

We hope that the government will see fit to agree to some of the amendments that we are going to propose. I want to talk about the problems that I have with the bill first, and then I will mention a few of the more positive aspects later. The principle of this bill is reasonably sound but we have problems with specifics.

The royal commission cost the Canadian taxpayers $20 million. That money has been paid out, but the advice of the royal commission is being ignored by the government in many cases.

I want to start with the issue of the representation of women in the House of Commons, which is one that the royal commission considered very directly. It occurred early in the first volume of its report. In the course of its many detailed studies on this issue the commission determined that there were systemic and structural barriers to the entry of women to this House.

I quote from page 107 of the report: "Among the structural barriers identified, however, two are paramount. The first is the cost of the nomination process. The second is the lack of concerted efforts by political parties to support women seeking nominations".

Those were the two principal problem areas that the royal commission identified as barriers to women entering this House. So that everyone is aware, out of the 295 members of this House 13 per cent are women.

• (1940)

On page 110 the royal commission said: "Another troubling question is why so many fewer women than men seek nomination. Several factors appear to be at work here. Based on the socio-economic analysis presented earlier, it is clear that family responsibilities, still shouldered largely and as a prime responsibility by women, deter many competent and interested women from seeking office at least until their children are older.

A second factor is that women tend to have less employment security and thus face a greater potential impact if they lose their bid for public office at the nomination stage, as a candidate, or following one term in office. As the Canadian Advisory Council on the Status of Women noted, one of the most obvious financial costs associated with running for elected office is the risk to employment. Many women cannot afford to gamble their jobs on the chance of winning an election.

Finally, it is clear that some women are deterred by the differential media treatment they receive as political contenders. Our research showed that although the coverage of women in politics has improved over the last two decades it remains stereotyped, focusing much more often on women's appearance, personal life and opinions about specific issues such as abortion".

Clearly the commission did not feel it could do much to affect the media's coverage of women candidates but it did feel it could do something to make the nomination process more accessible and open for women candidates. It made a series of recommendations in its report. First, it recommended that spending limits be put in place for

persons seeking nominations. Understandably we are not proceeding with that recommendation at this stage because some nominations have already taken place and had taken place before we received the report.

In order to avoid controversy on that one during this particular election it was deferred to what we are calling phase three of our committee work. We hope to have it in place in time for the election after the 1993 election.

Second, it recommended that child care expenses be deductible by the primary caregiver when that person is seeking nomination for elected office as a candidate for a party and also during the period of the election itself.

Both these recommendations found favour with the committee and were included in the committee's report to this House, which was tabled in December of last year, but both have been ignored by the government. They were taken out of the draft bill and ignored by the government.

Unfortunately it will be difficult for us as members to try to get those amendments back in because both being changes in the taxation law, subject to advice we will get in due course from parliamentary counsel they may require royal recommendation. If that is so we may have difficulty, although it is taking tax off and we may be able to move them. We will do our utmost to see that those changes are put back in place. Apparently, the government has expressed an unwillingness to deal with them and we are surprised at that unwillingness.

In addition, there was a major recommendation to provide an incentive to political parties to actively recruit women candidates. That recommendation was that if after the next election fewer than 20 per cent of the members of this House were women then in the following election any registered political party that managed to elect women as 20 per cent of its caucus would receive an additional reimbursement from Elections Canada. All the political parties are entitled to reimbursement of their expenses from Elections Canada to a certain degree after the electoral event is concluded.

The proposal the royal commission made was that a party could get up to 50 per cent additional money back depending on the percentage of women in its caucus.

For example, if the caucus was 25 per cent women the reimbursement would be 125 per cent of what it would otherwise be. It was a financial incentive of some significance that was offered to political parties.

We in this party have favoured and consistently pressed for this change in the law. We could not get agreement in the committee to bring forward this recommendation to this House. Again, we believe it is one that should be in this bill and we will continue to press for its inclusion in this bill. It could be included in phase two but so far we have not got agreement in the committee to put it in there.

We are concerned that the important and far-reaching recommendations of the royal commission, which will admittedly not solve the problem entirely but will at least assist in solving the problem of under-representation of women in this House, are being ignored.

• (1945)

We feel that the recommendations are not ones that are overly demanding or onerous, but they will make it easier for women to access the electoral system. We feel it is important for the system and for the obligation members of this House have to represent the country. We believe the House should be more representative and we support these limited recommendations that the royal commission has put forward. We are surprised that the members of the Conservative Party are not supporting these recommendations.

On the last one, the major recommendation about extra payment to the parties, even the women's group in the Conservative Party showed a complete lack of support for it. It indicated that it did not feel that such a change was necessary. I am frankly shocked. I would have at least expected support from that quarter but even those women, at least those who are running that organization, did not feel it was necessary in spite of the very poor showing of their party in having women as members of the caucus. I realize the Prime Minister talks

a different tune, but the fact is there are not very many in that caucus and in percentage terms it is quite low.

The second aspect concerns third party advertising. There has been a lot of criticism in the press of the provisions dealing with third party advertising that were contained in the committee report in December. This criticism has particularly come from the National Citizens' Coalition. It has run advertisements, which I would call scare tactic advertisements, designed to make people think that somehow their rights are being trampled on as a result of the third party advertising provisions in this bill. I am pleased that the government has at least agreed with the very limited restrictions that have been proposed in the law that is before this House. I suspect that the reason we have not seen any National Citizens' Coalition ads since is because it realizes what a weak law the government has proposed in this case.

Let us look in detail at the restriction that is proposed. The law says no person or organization may engage in advertising during an election campaign where that organization or person spends more than $1,000, and where the ad is either in favour of or opposed to a candidate or a political party. It must be a direct ad in support of or in opposition to. In other words, indirect advertisements that deal with issues other than candidates and parties, that deal with policy questions, for example, are still able to be advertised by anybody and in unlimited amounts. In other words, all the advertising that went on in the last campaign on free trade, which was such an abuse of our electoral system, would be allowed as long as no reference was made to a party or candidate.

This is not what the royal commission on electoral reform and party financing recommended. The $20 million study that the government established, which is the basis of the work that we are doing, recommended a very severe restriction on third party advertising. It recommended a ban on third party advertising and a ban on expenditures by a third party of any campaign expense during an election campaign, except for $1,000. The ban would apply to everything, not just advertising. It would apply to polling and every other kind of expense because it clearly intended that there be restrictions in place on electoral expenses.

The parties are subject to limits, both nationally and on a constituency basis. Those limits are in place and they are designed to ensure that the electoral process in Canada is fair. I think they are reasonable restrictions. I attended a seminar hosted by the royal commission at which some American congressmen and an American senator were in attendance. They were extremely jealous of the Canadian system of expenditure control in election campaigns. They do not have these controls in place in the United States. They told stories of how they had to spend their time, easily half their time, between elections raising money for the next campaign. It is a completely different system and it is not one that serves the public well.

Our system serves the public well. Politicians are restricted in what they can spend and the parties are restricted in what they can spend. As a result of that our campaigns are not easily bought by one party because no one can spend that much more than anyone else. That is a big help. Also, the level of expenditure ensures that you do not have to be a multimillionaire in order to be a candidate for political office in Canada. It is becoming increasingly difficult for someone who is not very well to do to seek elected office in the House of Representatives or in the Senate of the United States. That is not the difficulty in Canada.

• (1950)

The amazing thing is when reading these advertisements from the National Citizens' Coalition you never see mention of the fact that there are restrictions on Canada's political parties. You do not see any criticism of the fact that there are restrictions on the expenditures of Canadian political parties and there have been for many years in this country. It has not run full-page ads denouncing that part of the law. It is only when it sees the possibility of restrictions on its own advertising campaign that the National Citizens' Coalition chooses to take issue and run its national ads.

I want to say that the National Citizens' Coalition uses these ads and these scare tactics as a fund-raising gesture. It runs these ads and there is always a little blurb down at the bottom—some of my constituents send this material to me—saying if you would like to support the National Citizens' Coalition in its work, cut out the coupon and send in money. You have probably seen them, Mr. Speaker.

I would like to pose some questions to the National Citizens' Coalition to find out where the money goes. It makes a great issue of members of Parliament and the

benefits that members of Parliament receive and so on. All of us have seen advertisements on that issue.

The chairman or whatever his position is with the National Citizens' Coalition was asked by one of my colleagues how much he was paid. Of course salaries of members of Parliament are a public matter. Well he said that was private, that it was not the business of the member of Parliament. The member of Parliament asked who decided how much he got paid. That too was private. It was not the business of the member of Parliament. Then the member asked who was on the board of directors. That was private too. It was not the business of the member of Parliament.

One has to wonder what goes on with the National Citizens' Coalition. Its argument is that its rules of public disclosure, its rules of freedom to advertise during campaigns apply only to it. The rest of us, the political parties, the people in public life who have to debate the issues, who are standing for public office and who have to stand again and seek re-election and so on, are all subject to rules. But according to the National Citizens' Coalition we should be and it should not. It wants everything on the politician but it does not want anything on itself.

I suggest that the advertising campaign that has been conducted by that coalition has not served the Canadian public well and has distorted this issue. The proposed restriction is very slight and will hardly affect the issue in terms of the ability of Canadians to advertise at all.

The third area I want to deal with is the question of homeless electors. The royal commission recommended that Canadians who do not have a fixed place of abode are being left off the voters' list and ought to be included on the list so that they, like everyone else, get to exercise their franchise.

The committee considered the proposals put forward by the royal commission and accepted them. We recommended that there be a specific requirement in the law that the Chief Electoral Officer ensure that homeless electors were enumerated where that could possibly be done.

Specifically we provided that a homeless elector could register as an address the place where that person obtained food on a regular basis. However, the government saw fit in its bill to delete those provisions. It took all of those out and said the existing law was satisfactory. The excuse given by the government House leader was that if we changed the law it might allow for fraud.

I suggest that really what this government is doing is saying that the homeless are not likely to vote Conservative so you might as well leave them out. I can understand why when the former Minister of State for Housing said that the homeless enjoyed being homeless. I think my colleague from Churchill will remember his statement some years ago. He is a member from Toronto and he made the statement that the homeless enjoyed being homeless. Therefore there was indifference and a clear lack of care on the part of the government for the plight of the homeless in this country shown by the minister. I suspect that statement cost him a lot of votes in that group.

The government is leaving a provision in the law that requires the homeless to show residence for at least 10 days in a place in order to have that place shown as his residence and therefore get on the electors' list. Most homeless people do not stay in the same place for 10 days. It is an unreasonable provision. The purpose of the royal commission's report and the purpose of the committee's report was to change that law and make it easier for the homeless to get on the list and the government has not seen fit to do that. We believe that provision in this bill should be changed.

• (1955)

Another issue is the length of an election campaign.

[*Translation*]

The recommendation the committee had made to this House was that the maximum length of an election campaign be 56 days. We also recommended a minimum length of 47 days. The government approved this latter recommendation, by the way, but not the one regarding the maximum length. We regret that the government chose to ignore that recommendation. We also regret, as a party, that the government and the Chief Electoral Officer decided not to approve the recommendation of the royal commission which was for the minimum length of an election campaign to be 40 days.

[*English*]

Forty-seven days is still too long. Canadians are tired of very lengthy election campaigns. Provincial campaigns are much shorter. I noticed that just last week there was a dissolution of the legislature in Prince Edward Island. That election is to be on March 29. I know my former colleague, the hon. member for Malpeque, who is

running to be premier of that province, will do extremely well in the election campaign. I wish her very well as I am sure all members of the House do. That is a short campaign. It is going to be in one month. There is no earthly reason why the Canadian election campaign cannot be shortened to that length of time.

We are told by the Chief Electoral Officer that 47 days is the minimum he can do. The government did not press the issue and accepted it. However it has refused to put a maximum on it. The government House leader mumbled something about constitutional rights of the Prime Minister, that it would require a constitutional change to somehow alter that. What rubbish. There is no evidence of that at all. I would have liked to have questioned him on it but unfortunately I did not get the chance when he was before our committee.

We support a further change to this act that would restrict the length of campaigns to 40 days which even then is long but it is a lot shorter than what we are now dealing with. Canadians deserve a shorter election. It would reduce costs. It would ensure that the Canadian taxpayer gets a little better bang for the buck. The parties would not have to raise so much money in order to operate the campaign. Limits could be reduced.

Those are the points in the bill that I think are negative.

I should mention in a brief passing the issue of prisoners' voting rights. People say: "Well in Kingston of course you are interested in prisoners' voting rights". I am interested in prisoners' voting rights. There are a lot of prisons in Kingston. There are a lot of inmates in prisons in Kingston that is for sure. In fairness also the issue was dealt with by the royal commission which made certain recommendations concerning inmate voting rights.

The committee considered the matter and made another recommendation more restrictive than that proposed by the royal commission. We know that prisoners won the right to vote in court decisions in this country and exercised that right in the referendum campaign. I want to make it very clear that the voting rights exercised by inmates during the referendum were exercised in the riding from which the inmate came, not in Kingston nor in the riding in which the prison was located.

I think my friend from Churchill may remember the figures better than I do, but my recollection is that only 119 inmates voted in Kingston and the Islands during the referendum campaign. That was a relatively high number but it is not very many out of about 12,000 federal inmates who are in prison across this country.

Given that, my own preference would be for a longer period than this two-year restriction that the government has proposed. What the government has suggested to the House in this bill is that any person incarcerated in a federal institution would be deprived of his or her right to vote. I think that is unduly restrictive. I do not believe it is in accordance with the Canadian Charter of Rights and Freedoms which guarantees to every citizen the right to vote.

• (2000)

Inmates in penitentiaries do not lose their citizenship because they have been convicted of a crime. We do not take citizenship away for that. If we want to make that one of the punishments, let us change the Criminal Code. The charter provides that every citizen has a right to vote. It is on that basis that the courts ruled that the law taking away an inmate's right to vote was unfair and contrary to the Canadian Charter of Rights and Freedoms.

The new law will have to be tested in the courts, but I think the government's approach has been: "We do not want to take any criticism on this, so we will propose a Draconian law and let the courts strike it down and then we will have another free for all".

That is not the view of the Liberal Party. We suggest that the matter be taken on and dealt with in a forthright and open way in this House. I hope to move an amendment to that provision of the bill at a later stage.

I want to turn to the special ballots. As the member for Calgary West said in his speech, the provisions relating to special ballots really are fundamental changes in the law. They are going to allow all kinds of Canadians who for a host of reasons were previously unable to vote to exercise their franchise.

I particularly think it will help those who are unable to get to the polls on election day for one reason or another, who are shut in and who know that they will be unable to go. They may apply for and obtain a special ballot and mark it by some arrangement from their house and mail it in. I believe people will be able to take special ballots to people under this arrangement. The details have not been worked out. If that happens, again it will make voting easier.

Canadians who know they will be away from their constituency on the day of the election will be able to do this. Indeed, people who have been left off the list may be able to get on the list and vote by way of special ballot.

There are a series of changes that this law will make which will make it easier for Canadians to vote no matter where they are.

We have already heard from the member for Calgary West about the additional voting rights granted to non-resident Canadians. There is a restriction there of no more than five years absence from Canada and if the voter stays out longer than that, the right to vote is lost. We will survive that. I think that will work.

Certain members of this House have expressed concern about the issue. The hon. member for Saint-Denis certainly did. One of the concerns is the enforcement of the provisions of this act outside the country. It will be difficult to charge an elector outside of Canada with fraud for example. It will be difficult to enforce the provisions respecting expenditure by political parties and candidates outside the country.

Aside from that certainly if the parties or candidates are spending and are caught spending money outside the country, that can be used as grounds for a prosecution here if in so doing they exceed the limits imposed by the act. All in all I believe the new provisions respecting special ballots will help Canadians and will improve the way the act is applied throughout the country.

Generally, the changes that are proposed to this act are reasonable ones. Many are very technical, as the hon. member for Calgary West stated in his remarks and I do not propose to go through them in detail. As I have indicated, we support the bill in principle and will continue to try to make the changes in the areas that I have mentioned in committee and at the report stage.

As the hon. member said, the committee is continuing its work in reviewing the royal commission's report. We are working on the rules relating to enforcement of the act, the financial limits and the reimbursement procedures for candidates and for the political parties and finally the rules in respect of broadcasting dealing with the number of minutes, for example, allocated to each of the political parties.

We believe those changes are important. We believe they need to be in place in time for the election. We in this party will continue to work with the members of the committee from the government and from the New Democratic Party to see that those changes to the law are brought to this House in a timely manner so that they can be incorporated in a bill and adopted before the election.

Third is phase three. I recognize the government feels that somehow phase three is likely to take place before the next election. That could happen but frankly, I have doubts. There are many relatively controversial items in phase three. It is so close to an election. It is hard to start talking about redistribution of seats for example in the weeks or months immediately preceding an election when we know we are going to have to make changes after it.

My guess is phase three is not going to happen until after the next election. One suspects the composition of the House which could be quite different after that election might make a difference in the approach that is taken to phase three.

• (2005)

Phase three might even become something bigger and might result in some changes to phases one and two. After an electoral experience we may be better able to point out the shortcomings that we have suggested are present in phase one and which are not dealt with at the amendment stage in this House. We may find that some of the ideas we have put forward do not work and we may have to make changes in them as a result of that experience.

We think on the whole the measures contained in Bill C-114 represent a significant advance in improving the electoral law of Canada. We are glad to be able to assist

this evening in expediting adoption of this bill by the House so that it can be considered in the committee.

As always we will continue to work with the member for Calgary West and the member for Churchill. The member for Saint-Denis and I who are on this committee will continue to work with the other members to make all the improvements we can in this law. We recognize that time is pressing and the complexity and enormity of the task. We have been working on this for many months now and are pleased this has finally come to the House. We will continue to work in future with a view to getting this bill adopted at the earliest opportunity.

I do have an amendment I would like to move. I move, seconded by the hon. member for Churchill:

That the question be now put.

Mr. Rod Murphy (Churchill): Mr. Speaker, I want to thank you for the opportunity to speak this evening.

This bill, as previous members have indicated, is the result of a year's long work. The special committee on electoral reform spent part of that year dealing with the regulations that resulted from the referendum legislation but most of the work we had done in this one-year period has been a review of the Royal Commission on Electoral Reform and Party Financing. The legislation we have in front of us tonight is basically the first of three different phases which we will have on changes to the Canada Elections Act.

Let me start out by saying that this legislation standing by itself would not be sufficient reform. We have called for a number of other changes that must be made to the Canada Elections Act in order to make elections not only be fair but seem to be fair.

Among the changes the New Democratic Party have demanded are clear and comprehensive definitions of election expenses, affirmative action measures that would enable women and other unrepresented Canadians to have a better opportunity at being nominated. Considering that today is International Women's Day I think it is appropriate that be part of the debate taking place this evening. We have also called for clear requirements on both leadership and nomination contests, including limits on expenses for nomination meetings and public reporting of donations to leadership campaigns.

I can say that we made that particular recommendation before we knew about the Prime Minister's resignation. We have been consistent in calling for public disclosure and limits of funds that go out to various leadership campaigns. As the person responsible for drafting most of the rules that we used when our present leader was elected, when I chaired that committee we insisted on very clear limits and on complete disclosure of all donations. We went even further. We put a limit on the amount that any one source could give to a leadership candidate.

I would suggest that those people on the other side of the aisle who have been scurrying around today talking to other members of the Conservative caucus that perhaps they should follow our example when they start their own leadership campaigns, whenever those officially get going.

• (2010)

I could spend a lot of time talking about what should be in this legislation. I hope that the things we believe should be in this legislation will be in phase two. We do not want to see changes to the election act which, although they are important, are basically restricted to the area of allowing more Canadians to vote.

We recognize it is important to people who are at university, who are away from their homes for short vacations or whose work takes them away from their regular residences, to be given the opportunity to vote. We also agree that those people who serve Canada indirectly by working offshore for various charities, human rights groups, environmental concerns, and what have you, should be able to vote. Canadians who might be offshore for a period of two or three years, maybe taking a holiday or what have you, anything less than five years, and who have an intention to return to this country, should be able to vote. Hopefully the changes we have made in the legislation before us today will allow that to happen.

As the previous speaker indicated, there is some danger of fraud. If you allow people, even though they may be Canadian subjects but not living in this country to vote, it is very hard for political parties or the normal monitoring process to ensure that there is no fraud or there is not undue harassment of those voters. Those are

concerns that the committee shared and it will be of special concern for us in the future.

Recognizing that concern related to potential fraud, harassment, undue influence, et cetera, we said that we should basically put that opinion aside and say that the greater good is served if more Canadians who are away for short periods of time are able to vote. That was the basic criteria we used.

Unfortunately when the bill came back from the Privy Council, from the government, other clauses that would enable other Canadians to vote had been changed. As a result of the royal commission's recommendations and the committee study, we had recommended that Elections Canada and returning officers proactively go out and help the homeless register to vote. It is not a new concept, but it does require more than the normal method of enumeration in order for that to happen.

The government has denied that request to date, even though it was the recommendation of the royal commission, a recommendation of an all-party committee. Of course, as you would expect, the majority on that committee were Conservative members. An all-party royal commission, again with the majority Conservatives, an all-party committee of the House of Commons, all recommended that Elections Canada take a proactive approach and help the homeless to register to vote. That has not been accepted.

We have just talked about the arguments that this could create fraud. There is more danger, more risk, of letting what may be in excess of a million people, maybe in excess of two million people, who do not happen to have residences at the present time in Canada to vote. If we are going to let that happen, certainly we should let those people who are living in this country and are Canadian citizens, but unfortunately without regular homes or accommodations, vote and we should make those changes in the elections act that would help to ensure that.

In the same vein I do not believe that the government should have restricted the right of prisoners to vote to the extent that it has. Again, previous court decisions, charter challenges basically, the royal commission and the committee that was set up to look into this recommended that more prisoners be allowed to vote. We did not say that mass murderers be allowed to vote; we did not say that people who are accused of terrible crimes be allowed to vote; we put some restrictions on it. The restriction that the government allowed of only people who are serving less than two years means that only people who are in provincial institutions will be allowed to vote. It is too restrictive. Certainly in court cases that have been held in the past, the courts have ruled that other prisoners be allowed to vote.

• (2015)

That does not prevent Parliament from passing whatever restrictions it may wish. I believe that having prisoners vote in the referendum or in a number of elections until now without any hardship to society, it will be very hard for the courts to interpret a restriction of the magnitude that the federal government has suggested and say that it is acceptable under our charter.

There is another element to this which I think we should consider. A large number of the people who will be prevented from voting under the government's proposal will be native Canadians. Their crimes do not tend to be white collar crimes. Their crimes do not tend to be the ones for which you can use a hot-shot lawyer to get you off or to have your sentence restricted to less than two years.

Native Canadians tend to be the poor in our society. Many of their crimes unfortunately tend to be violence related against members of their own society, their own race. Many of those people are interested in voting. Many of those people are capable of voting. I would like to suggest that the government should go back to the recommendation of the royal commission or of the special committee on electoral reform.

A number of other changes were made to Bill C-114 that were not in the royal commission's report or in the report of the electoral reform committee. One of the changes I find offensive is that the federal government has recommended that only people who are covered by the Canada Labour Code be granted leave in order to seek election.

The royal commission and the all-party committee recommended that all employees be allowed that right. It does not matter whether you come under the Canada Labour Code or under provincial legislation, that right should be guaranteed to you.

When the minister responsible was before the committee about three weeks ago and tried to explain this, he said: "A lot of the businesses covered under provincial legislation are small businesses". If the government is in power long enough, that would be true. The businesses get smaller and smaller and smaller.

The reality is that a large number of employees work for Inco, Hudson's Bay Mining and Smelting—pardon me, take back Hudson's Bay Mining and Smelting. It does fall under federal legislation. Many large industries fall under provincial legislation.

If we are going to guarantee people who work under the Canada Labour Code the right to run for election, then surely we should say that all employees across this land must be given the same right. That is only equitable.

How do you explain the situation where you have two people working in the same hallway? Perhaps one works for a corporation that comes under federal regulation. That person is allowed to run. Somebody else working for a larger corporation but one that comes under provincial legislation does not have that same right.

The royal commission spent $16 million to $20 million of Canadian taxpayers' money. One of its recommendations was that all Canadians be granted leave for the purpose of seeking election.

In a similar matter, for the federal government's own employees we believe it is not only important that they have the right to run for election and be granted leave to run but the present rules are restrictive. It means that once they are nominated they must immediately take a leave of absence, even if that election is not held for another year or a year and a half. That is completely ludicrous.

• (2020)

Right now someone who is the janitor in a federal government building and received a nomination now would immediately have to go on a leave of absence. That person is not in a policy-making position. That person is not representing the federal government in such a way that his position is incompatible with that of being a candidate for a political party. We should certainly change our own laws to make sure that candidates can maintain their present positions until the election is finally called.

There are a number of other changes that we would like to see made. When we go into committee on this over the next couple of days the New Democratic Party caucus will be making a number of amendments and hopefully the government and the government backbenchers will support us on them.

The important thing is that this is just the first stage. We know that the most controversial issues are still yet to come from committee. We saw the reaction when we put a very small limit on third party advertising and restricted groups and individuals to spending $1,000 if they are promoting or opposing a particular party or a candidate.

I recognize my time is running out. I will try to get through all these items quickly but they are very important items.

We saw the reaction. We saw the reaction from the newspapers, the broadcasters, and the National Citizens' Coalition. We had people in front of the House of Commons committee saying this is a restriction on their freedom of expression.

It was quite ironic that the spokesperson from the daily newspapers and the spokesperson from the weeklies were both from the province of Quebec. They were ranting and raving and said that even this limit is too much and we are really restricting freedom of expression.

They had to be reminded that in the province in which they live, in which they have lived for many years, there is a complete prohibition on third parties, special interests or others advertising in any way, shape or form. This great threat to freedom of expression is something they have lived with for 20 years, something they had not complained about and had forgotten about.

They were asked a subsequent question. I asked them: Was there a great public outcry in Quebec? Were they saying that their rights, their freedoms, and their right to express themselves were being completely hampered by Quebec law? They both had to admit that does not seem to be the problem in Quebec. There is not a great outcry. The publishers had forgotten the rules they were living under and obviously the public itself did not feel that it was unduly restricted.

Some people will say that people cannot buy an election. That might be true to a degree. However if we take a look, as the royal commission did and others have done, at the various referendums that have been held in

the various states in the United States by and large the groups that spent the most money won the day.

As well, in the American tradition incumbents tend to spend the most money and they also tend to win. Incumbents in the U.S. tend to stay on for a very long time even though at the congressional level they only serve two-year terms. Money does make a difference.

We have accepted in this country since the 1973 legislation that there be severe limits on candidates and severe limits on parties. That is part of the Canadian way.

• (2025)

We also say that we must have disclosure of our sources of income. Those are the things that we have accepted for 20 years in this country. For the most part it has helped to balance out and make Canadians feel that they have a fair and honest balance in terms of what the parties can spend and do during election campaigns.

For anybody to suggest that non-party groups can spend whatever they want, in some cases more than candidates and in some cases more than parties, on what might be only one issue means that we have created a complete imbalance in the whole political spending process.

Canadians by and large would reject a system of no limits whatsoever. They believe in a balanced approach. However part of that balance has to mean that there are restrictions on what others can spend during an election campaign. If I am limited to $50,000 for all the things I have to do in an election campaign then it would be completely unreasonable if one, two, three or four businesses in my riding could spend more than that on a single issue. The same thing would apply on the federal level.

We cannot have a situation in which the Conservatives, Liberals and New Democrats as political parties may each spend on the order of $9 million on a national campaign—and that is for the leader's tour, polling, advertising, organizational work, literature and all the things that we do in a campaign—and then find out that some group that supports NAFTA, the North American free trade agreement, decides it is going to spend not the $4.5 million it spent last time but two, three or four times that amount. In other words, it could spend more than the political parties on only one issue and would not have the same responsibilities of political parties.

As others in the House who have spoken before me have said, it is ironic that some of the very groups that speak out against politicians and against restrictions on third party advertising are the same groups, the National Citizens' Coalition being the most obvious, that will not provide any public disclosure whatsoever as to how they are spending their money, who is raising their money and who is profiting from their campaigns.

Canadians want a fair, honest and up-to-date election act. We have moved a long way in that direction with C-114. Let us move the rest of the way. Let us make sure that we do more to bring in women, natives, people of colour and handicapped Canadians. Let us make sure that we bring in and cover a lot of the other issues that are not covered by our present election act. Leadership campaigns are one of the most obvious areas that we have to work on. Let us also make those other reforms on election expenses and financing that are really necessary to improve our democratic system.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I saw my colleague on the other side rising and I thank you for recognizing me first.

I would just like to make a couple of comments and start with the closing comments of my colleague opposite. I am in complete agreement that the examination of expenditures, rebates, limits and in particular the inclusion of the notion of indirect is a phase two activity. I would hope that within the next week or two the committee can reach its conclusions and present them to the House. The sooner we get them into the public domain so others can have a look at them and question or applaud our wisdom, whichever way it turns out, the better. I think we are both looking forward to that public examination. I am in complete agreement with him on that.

I would say to my colleague from the Liberal Party, in passing, that the issue of reimbursement for women or men or candidates of any persuasion is also part of the phase two package. We have not dealt in phase one with any of the reimbursement issues and we intend to deal with them all in phase two. I may have misheard him in terms of thinking that it would be a phase one issue. I think it is a phase two.

• (2030)

The information available to me may not be available to my colleague on the opposite side, but it is my understanding that for the last few elections the homeless have been enumerated by Elections Canada. It is a matter of policy and there is nothing in current law to argue against it.

With the other changes it does become easier to do; with swearing in at the poll and with the list being open until five days before voting day. That whole process would include a longer period to appeal original decisions, that would also be there. That may be a piece of different information. Maybe when we go to clause by clause and we have Elections Canada before us it would certainly be a question well worth asking and getting on the public record. Does it or does it not, can it or can it not enumerate the homeless at this time? I think it can and has.

Mr. Murphy: Just a short response, Mr. Speaker.

When this issue was brought before committee a couple of weeks ago after the government brought down its legislation we asked Elections Canada those very same questions. Certainly my interpretation of the response that we received is that yes, it does make some attempt if someone is already at a shelter or something of that nature. Even then it is basically ignoring the present law which requires that those people must have been at that shelter for the previous 10 days. That is a situation in which Elections Canada is probably ignoring the present law. What happens if someone was to challenge that in the future?

Also, there are a number of other homeless Canadians who would not even fit that category who under the recommendations of the royal commission and with a proactive approach—and it is very important that we look at that proactive approach—we know that within certain ridings in Toronto, Winnipeg and elsewhere across this country—

An hon. member: Thunder Bay.

Mr. Murphy: —Thunder Bay, as my colleague says—there are certain areas where the homeless tend to congregate. Maybe it is a kitchen. It is not a residence but it is a place that they come for a meal, once, twice, three times a week or maybe every day. We can pick them up if we go down there. It is that type of approach which the royal commission was recommending. I noticed in their last census the Americans had to use the same approach in order to get an accurate census of their population.

We should take a look at those positive approaches to make sure that any Canadians, regardless of their present economic situation and hardships, be able to vote.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to make a brief comment at the outset to pay tribute to all of the members of the special committee for the work they have done. It is not easy, given the number of hours they must put in not just at the table but in terms of consideration of the royal commission's report, other interventions they may get during the formal process of the hearings or the correspondence they get.

No matter which side of the House the members are on they have done an excellent job in terms of reviewing the issues, reviewing the documents, reviewing the concepts and in phase one coming up with a bill that has been translated reasonably well by cabinet. I am not suggesting that we are totally in agreement with the final wording but they all deserve our thanks and the thanks of the public of Canada for the work they have done.

I also want to, while I have the opportunity, pay tribute to my former colleague, the former Whip of the government whom I have worked with for a number of years. He did an excellent job as chief government Whip and we miss him. We also wish him well in his new role as "speechifier" in the House of Commons.

I do have a question for my colleague and it comes out of some of the remarks he made earlier. He was talking about the need for controls on leadership campaigns of political parties. As I understand it, I may be inaccurate and I stand to be corrected, the Prime Minister this past weekend announced there would be a ceiling of about $900,000 per candidate on the Progressive Conservative leadership candidates. Such a ceiling did not include staff costs or transportation costs.

• (2035)

I am wondering if my colleague from Churchill would like to reflect on what that really means in terms of expenditure controls, given his role in my party in preparing the groundwork for our controls for the leadership convention which actually I guess was kicked off four years ago yesterday when Ed Broadbent indicated his intention to step down as leader and when, as

we know, the member for Yukon succeeded him. I wonder if he would like to respond to that quickly.

Mr. Murphy: I am not sure how much time I have left, Mr. Speaker, but if my colleague wants me to give a lesson to Conservative colleagues in the House I am certainly willing to do so. If I do not have enough time in this intervention I am willing to hold a little seminar in any of the rooms on the Hill. I will not charge leadership candidates any more than I will charge other members.

It is true that we set up a very restrictive program for the selection of our leader. We did not allow some of the exemptions the Prime Minister talks about. I have not had a chance to check on the actual wording of the clause that passed the Conservative Party executive just last weekend, but I recognize that travel and staff costs can be two of the major components of any campaign, whether it is a leadership campaign or an election campaign.

To exclude travel, especially in a country as wide as ours with as many groups that exist in society, can be a real problem. Obviously someone with a much larger war chest or someone with friends in the airline industry, because that does make a difference, can travel to a lot more places and meet a lot more potential delegates. There are some built-in biases if we exclude travel.

Similarly we were very careful to make sure our candidates did not use House of Commons staff or House of Commons facilities during working hours. I must admit that it got to the point where people became very nervous. I was the Whip of the party at that particular time. They did not know why I was coming to their offices but they were always nervous when I came by. It was ensuring that there was enforcement of those rules for our staff and our members.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, I am very pleased to take part in the debate on Bill C-114, an act to amend the Canada Elections Act, but first, I would like to make a comment for the benefit of my NDP colleague. It is good that our party wants to set a spending ceiling. It is a turning point in Canadian political history and politics, because a few years ago we would have discussed this issue and it would have been almost unthinkable, because we could spend as much as we wanted to elect a party leader, regardless of the party. I believe it is a step in the right direction and I urge all the other parties to do the same.

I listened carefully to my Liberal colleague from Kingston and the Islands when he discussed this issue earlier. He said that our government took a very long time to come up with this bill. Despite what my Liberal colleague said, I think that the minister responsible for this legislation did a remarkable job in the period between the tabling of the committee report and the first reading of this bill. When the minister was asked to come before the committee, he did so very diligently. When we discussed some problems in this bill with the House leader, who was the minister responsible, he listened to us very attentively on every occasion, I think. The general impression we have with this bill is that it reflects quite accurately the work done by the committee. And this is interesting, considering that sometimes with other bills the committee would work for months, almost years, only to see its report shelved.

• (2040)

I believe the government had the political will to amend the Canada Elections Act. That has been the case since 1988, since the second time this government was elected, when in the Speech from the Throne in April 1989 the Prime Minister indicated the government's intention to appoint a royal commission that would be responsible for making recommendations for changes in the Canada Elections Act.

On April 3, 1989 the government appointed the Royal Commission on Electoral Reform and Party Financing, chaired by Mr. Pierre Lortie. The commission was established on November 15, 1989 to inquire into and report on the appropriate principles and procedure that should govern the election of members of the House of Commons and the financing of political parties and of candidates' campaigns.

To show how diligently the government pursued this matter, after the commission, which started its work on November 15, 1989, had tabled its report in February 1992 the government immediately established a special committee on electoral reform, which included members of all three main political parties in this House. Committee members worked with tremendous dedication and their patience, in some cases, was exemplary.

Hon. members will also recall that the committee's proceedings were somewhat disrupted by the tabling of the referendum bill. Most members switched committees to be able to examine that legislation. And subsequently, we had our Canada-wide referendum. Finally, after lengthy discussion, the special committee was able to table a report in the House of Commons in December 1992, while the bill on electoral reform was tabled, if I am not mistaken, on February 22, 1993.

So it cannot be said that the government has dragged its feet on this legislation, considering that the last major electoral reform took place in 1974. We therefore felt, and I think rightly so—a position that is shared by the other parties represented on this committee—that we had to do something to make the Canada Elections Act even more efficient and more accessible for all Canadians who wish to exercise their right to vote at least once every four or five years, depending on the dispositions of the government in power.

I think it is important to point out that this bill introduces many improvements. Some people will say the government did not go far enough. Others may complain about the government's approach to the issues. They would have preferred to see this, that and the other. Finally, I think what is important about Bill C-114 is that the government is meeting a commitment it made and that the bill improves the electoral process for the benefit of Canadians whom this process is intended to serve.

We must also remember that the bill is largely based on the first report of the special committee, which intends to produce more reports on electoral reform. To us this is extremely important, and of course I say this as a member of the committee. As I mentioned earlier, the Lortie commission spent almost two years—my hon. friend said it cost about $20 million—conducting hearings across the country and listening to people expound on the positive and negative aspects of the present legislation, to consider the amendments that would be necessary to deal with party financing, broadcasting, public opinion polls and candidates, to name a few.

• (2045)

Had we decided to put everything in one single bill—the fact of the matter is we would still be working as a committee on a proposal to table before this House—chances are that the bill before us today could unfortunately not be read the first time, let alone adopted. I think it was extremely wise to divide up our huge task in three stages—phases one, two and three, as we did to provide some very important answers, at least for the short term.

As a second stage, the special committee intends to deal with broadcasting, financing and enforcement issues as I said earlier. In phase three, as mentioned in the report tabled before this House, we will deal with and tackle such issues as the assignment of seats to provinces, drawing constituency boundaries and establishing native constituencies. As far as the drawing of constituency boundaries is concerned, we know that some ridings cover a very small area but are very densely populated, while others cover huge areas, but are very sparsely populated. It is a real nightmare for our officials in Elections Canada and it requires nearly exemplary dedication on their part. When you see how well and how fast—in the case of the last referendum for instance—they completed the enumeration, I think we cannot ask much more from these people. They are already doing their very best and they are doing so not out of self-interest but in the interest of all Canadians, to enable them to exercise their right to vote.

It is easy to register when you live in downtown Quebec City or Montreal, but it is not so easy for those who live in remote areas, when the office of the Chief Electoral Officer is 50, 60 or 100 kilometres away. We have to take that into account and make sure that the proposed legislation as well as the proposed amendments will take into account such factors as distance, remoteness, population density and all those things that could be improved to facilitate the conduct of the vote.

I also wish to thank the committee members for their first comprehensive report which, I assume in good faith, is supported by all of them. It certainly is a good example, as my colleague from Saint-Denis, whose comments are always judicious, said of the parties' ability to work together in reaching a common goal, that is a more accessible and equitable electoral system. The committee's first report is the result of a lot of work in a

complex area, of many consultations and of close co-operation with Elections Canada.

In this bill, the government follows up on many of the committee's recommendations. It is important to say it again because these last few years, and I would even say that it is almost a tradition with this government, it has had committees table reports which have never been acted upon. In the case of the special committee on electoral reform, diligence was in order. I believe all Canadians will benefit from that.

The main thrust of this bill is to guarantee that the Canadian electoral system is more equitable and accessible. To this effect, the bill provides for a voting process by special ballot, an improved enumeration and revision process and the possibility for voters of urban polling divisions to register and vote on election day.

The bill also contains fairness provisions. For example, it limits spending by third parties. Speaking just for myself, I believe it was extremely important to set such a limit. I always believed that we must have relatively strict rules to make sure that the electoral process is fair for everyone.

We cannot afford to have a double standard, one for candidates and parties and another for third parties.

• (2050)

I have always thought that as a responsible Canadian, a responsible candidate, a responsible party, if we force ourselves to respect a law which stipulates we must not spend more than a certain amount or conduct polls or advertising outside certain periods, the same restrictions should apply to all taxpayers and all those who are interested in the electoral process.

It would be too easy at this stage to use as an excuse freedom of speech and some court decisions and to say that this could violate the freedom of speech. I think that in a system like ours in which Elections Canada, our electoral system has proved its effectiveness not only here but abroad, it is important to adopt stricter regulations, at least as far as advertising by third parties is concerned. I know what the committee has undertaken, with a direct limit of $1,000 for third parties by the way. We know very well, since the chairman told us, that in a second stage, we will come back with the whole indirect issue, the whole matter of advertising and expenses.

It is true, as the chairman pointed out, that some deficiencies were detected following court decisions. But that does not mean that in its work the committee will find magical solutions. However, we will try in the next few weeks to put in place a proposal which will allow the government to improve the current legislation and once again to make it fairer.

Other examples of improvements to the electoral system that will make it more accessible and fairer is the possibility for Canadians who have been living outside Canada for less than five years, but who intend to come back home, to vote by mail in the federal election. Canadians who live in Canada but who, for one reason or another, will not be in their riding on election day, will now be able to vote by mail.

My colleague, the hon. member for Kingston and the Islands, was talking about the duration of an election, that is 47 days. It is true that 47 days is still long. In committee, we mentioned the possibility of 40 days. We also talked about a maximum of 56 days or an open-ended period. I would like to remind our viewers and our colleagues who did not have the opportunity to sit on that committee that when the Chief Electoral Officer appeared before us and explained to us how it works, he told us that, ultimately, in order to work well, the electoral process must allow each and every Canadian to be able to vote, but there were a few things that we, as voters or candidates, did not know.

I think, among other things, of having a returning officer for every riding, of providing different polling stations on election day and advance polling stations. There are also the training of the election personnel, and the finding of enumerators, poll clerks and electoral

officers. There is the list of electors to prepare and to forward to candidates. There is the enumeration to do.

We asked the Chief Electoral Officer what the minimum amount of time required to do all those things was under the present system, and he said at least 47 days. This is precisely what the committee decided to recommend to the government and this is the reason why Bill C-114 proposed a period of 47 days.

Clearly, I would like the election period to be even shorter, but for that we would have to find other means, other ways to accelerate the various administrative aspects without compromising the right of every Canadian to his or her vote on election day, and guaranteeing that this vote could be cast on election day.

Another element of these changes to the act provides for the continuation of the possibility for members of the Armed Forces or the federal Public Service posted abroad to vote by mail, but these provisions are now extended to provincial public servants. Electors in urban polling divisions will now be able to register on election day and then vote. This option is already available to rural voters. This addition is a clear example of the greater accessibility of the electoral system.

Under the present rules, electors in urban polling divisions cannot register on election day and then vote. The registration system in urban polling divisions is such that it will be done at a revision office. Registered voters must go to their polling station. This system was devised to reduce undue delays at the polling station and to prevent possible frauds.

The provisions prohibiting judges and handicapped people from voting have been struck down by the courts and are repealed by this bill. The bill also deals with the voting rights of inmates. Anyone serving a sentence of two years or more cannot vote.

• (2055)

The bill on electoral reform will also improve the administration of the election process. For example, enumeration of electors will be modified so that as many voters as possible can be registered. Furthermore, the revision period will be extended up to the fifth day before polling. All those measures will improve access to the electoral system.

Thanks to those amendments, our electoral procedure will be one of the most sophisticated in the world. For example, requirements concerning candidate nomination and filing of papers have been re-examined and will now take into account the increase in population and the value of the dollar. These new requirements should not hamper any serious candidate. The already existing embargo period imposed on parties and candidates during the first three weeks of the campaign, on election day and on the day before will also apply to third parties, in fairness to all participants in the electoral process.

And finally I would not want to take up too much House time, but I think the main purpose of our committee was first and foremost to allow the government to initiate this new elections act. I believe the work done by the committee, and by all the members of this House without exception, was such that all the ideas submitted to the government were the result of a consensus. We hope that the government will be as prompt in proposing a bill at the second and third stages as it was at the first. In doing so, it will allow our committee to complete the great task it was entrusted with, that is to amend the Canada Elections Act, to make it more efficient and, most of all, more in tune with the expectations of all Canadians.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I would like to ask a question of the hon. member for Champlain. As he no doubt has noted, the Royal Commission on Electoral Reform and Party Financing proposed to limit the expenses of a candidate in a leadership race. We have heard these last few days that the Prime Minister had proposed such a limit for his own party. If his party had had a real limit during the leadership campaigns of 1976 and 1983, the Prime Minister himself would have been disqualified since he had not informed his party of his expenses and gifts he had received and so on. Canadians would undoubtedly have been spared the problems this government has created under this Prime Minister.

My question to the hon. member for Champlain is this: Would he want us now to adopt the royal commission's recommendations on the expenses of leadership candidates or is he satisfied with the system that has allowed the Prime Minister to become his party leader and that has led to the destruction of the Canadian government?

• (2100)

Mr. Champagne: Mr. Speaker, I am somewhat surprised by my colleague's question; he is not usually partisan, at least in committee. Apparently, you are never too old to learn. I would like to remind him of this: If we had imposed on his own leader the limits we are about to impose on the next, he himself would have been disqualified. That is why one really has to be extremely careful with what one says. I think I know that my colleague is just as eager as I and the other commit-

tee members to deal with the issue. I would ask my colleague, who does it very honourably anyhow, to speed up the process in phase two so that we can get to phase three and deal with the financing of political parties.

In closing, I will remind my friend that since 1988 the Prime Minister has always been in favour of cleaning up the way political parties are financed, and he has proven it many times. I think that imposing for the first time a spending limit on candidates for the leadership of the Conservative Party of Canada below $1 million per candidate, shows the commitment of this government and of the Prime Minister to clean up political parties' financing as we will see with our chairman and the committees during the third phase of the report.

[*English*]

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate—I have given the hon. member extra time. I have been watching the clock.

Hon. Marcel Prud'homme (Saint-Denis): So you turned him down, Mr. Speaker. I would have liked to have listened to his speech.

[*Translation*]

If there is an issue I have always been interested in, since my teen-age years as a matter of fact, it is the reform of electoral mores. I remember that when I was president of the young Liberals in the Laurier riding, when I was about to enter the provincial race after having been chosen as a candidate in the provincial election during the Jean Lesage era, we were already discussing the issue of electoral reform and of party financing. Throughout my career—as is known I did not run provincially for all kinds of reasons I have already explained in this House; at the request of Jean Lesage, I gave up my seat in favour of René Lévesque—I was elected in 1964 and I have always had a keen interest in the issues of electoral spending and election reform.

So, to put the debate in context and for the benefit of our listeners, let me say that what we are doing right now is revamping the Canada Elections Act so that it becomes a better instrument than it was yesterday, but certainly not as good as what we would like to have tomorrow.

[*English*]

I wish to thank very publicly our chairman—I like to call people by their name, but the rules say that I should call them by their district—the member for Calgary West.

[*Translation*]

I would also like to thank our vice-chairmen, the hon. member for Champlain and the hon. member for Kingston and the Islands and the committee members. We have been working together for a year, and I want to thank them because in Parliament often those who make the greatest fuss are not the ones who work the hardest. It is now 9 p.m., Monday but as early as 9 a.m. today, we were already getting ready to debate this legislation all day long and to continue discussing it, as we will keep on doing tomorrow and the rest of the week. That we do in parliamentary committee, or *commission parlementaire*. as they say in Quebec. It is tedious work. This committee managed to find a *modus vivendi*, if the Chair who rather likes those expressions allows me to say so, to come up with draft reform legislation which I generally support. But I wanted more, as our chairman would tell you. I will say again that I am very conservative about change. That is what I always say. Being a member of the Liberal Party, that remark makes my colleagues smile. I want to thank the pages who are working late tonight to allow us to dispose of this bill, and I also want to thank the university students who are listening carefully, because they are, in fact, more directly concerned by this debate than we are, since we are older.

• (2105)

We have been waiting a long time for this bill. People must know that it took a lot of time to come up with this 114 pages bill before the House tonight. One can get discouraged just by trying to read it, but it is a beginning. As my colleagues said earlier, it results from the famous report submitted by the Lortie commission which sat for more than two years and probably sounded out opinion and picked the brains of all academics in Canada, to such an extent that it has not finished publishing its findings yet. We, on the other hand, must act. We must modernize the legislation.

Some time ago, another piece of legislation, Bill C-79, was introduced. As an opposition member, I had the honour to be chosen as chairman of the legislative committee. It did not work. We never even sat. We are trying again, and this time, we are determined to see it through. I see that our chairman is still here. Even if it is 9.05 p.m. and we were scheduled to sit only until 7 p.m., we will be back here tomorrow morning. Our chairman is still here and he knows we are determined to see it through.

Phase one is the modernization of the electoral system, that is who does what, who can vote, how to exercise the right to vote. As I said before, when it comes to election matters, as well as legislative and parliamentary issues, I am very conservative. You have to prove that what we have has to be updated. You have to prove it to me. So, I always play the devil's advocate in committee. I know it can be tiresome for my colleagues and I apologize. I always take a completely opposite stand and say, "Try to convince me that we need this change". Once I am convinced, I am better prepared, mentally and intellectually, to explain my new position, because some people always want to change things for the sake of change. That is all right, because we do need change sometimes. But I said: "No, wait a minute. Let us not get excited". Canadians can be unhappy with the unemployment level. They can be unhappy with all the scandals. They may be unhappy about the bankruptcies. They may be unhappy about the failure of family life, of religious life, of intercultural relations. They may be unhappy about all that. They often look for a scapegoat, and that scapegoat is Parliament and the legislation it makes. Then all the good we try to do seems is made to look bad.

I would like to use the few moments you are granting me, Mr. Speaker, to try and demonstrate that what we are doing is good. It could be better. I would like to see more done, because I am very careful. Who has the right to vote? We have extended the right to vote to people who never had it until now, that is Canadians abroad. We have come a long way. Some of my colleagues are furious because we do not even know whether there are 500,000 or two million of these people, Canadians who still claim to be Canadians, who probably do not pay any taxes in Canada but who, under the Charter, might be entitled to vote.

Some people advocated an absolute right to vote for all Canadians wherever they live. We said: "Not so fast", but others said "Never". We went for a middle-of-the-road solution and settled on five years. Perhaps the next Parliament will make reforms on voting rights. My colleagues often go door to door. There are people who travel to the United States on holidays during the winter. Someone from British Columbia could be in Montreal. Someone from Montreal could easily be in B.C. and would lose the right to vote. We have accommodated that.

Canada has a charter of human rights. We could be attacked right in the middle of an election because prisoners have no right to vote. Therefore we had to do it. Some said all prisoners should vote; some said no prisoners should vote. We came to a middle ground that would be highly satisfactory if the elections act was to be attacked. It was not what I wanted. It was not what others wanted and some people refused to accept it.

• (2110)

However there is something in it and that is why I am ready to fight to the very end. My committee colleagues, the hon. member for Champlain, the chairman of the committee, the hon. members for Gaspé and Swift Current—Maple Creek—Assiniboia know how strongly I feel for it. I clearly said what I do not want even toward the end of my political life. After all, after 30 years young members will come after us, but I will keep fighting inside this House or any other place until the end of my days to impede the Americanization of the Canadian way of doing elections. It is unique. It is the envy of the world. A lot of people around Canada attack us. Maybe they do not realize it but if we listen to them we will end up in what I call the Americanization of our electoral system. I am talking about election expenses.

It is very strange that it works extremely well. I say it in both English and French. It is the same message: I wish that what was going on in Quebec was going on in Ontario so that in this way people would not say: "Ah, Quebec again". It works very well in Quebec. There is an element of fairness and control where people can be different from the citizens of the United States of America who would like to be involved in the political process. This is capital to me, if we really believe in the kind of country that we are building together. That is because Canada is not yet like the old countries in Europe. It is a country in the making. If we do not want

this country to be sabotaged we have to have rules for the electoral system, rules that are willingly accepted across Canada and are well understood.

It is not a question of depriving Canadians of their right to speak. It is a fundamental question of being different from our colleagues in the United States of America are. Do you know what they are doing there? After being here for 30 years I have friends in the Congress and Senate in the United States of America. Some are perpetually raising money in order to get re-elected. They are elected for only two years. There is a time limit for members of the lower house. For senators it is six years and for congressmen two years. Imagine, some have just been elected with President Clinton. Already I have proof.

[*Translation*]

I can prove that I have new colleagues who were elected and are constantly looking for that darn money that seems so necessary to get elected. Those of us who tried this system in Quebec know that it is not perfect yet, but when we always ask for more and more money, we end up with our hands tied, and I do not like it. That is what I would like people to understand.

Those who want to keep their independence should be able to belong to the party of their choice and still say: "I do not have any money, but I can raise a bit".

When I meet people on the street or at Dunkin' Donuts and they complain about anything and everything, I take the time to explain the facts to them. I explain the system to the people I meet in flea markets or churches. If only people could believe in our system.

The pages who are with us tonight can become members of any political party, contribute to that party and have a say. They give $10 to the political party of their choice and get back $7.50 when they file their income tax return. In that way, for a real expense of $2.50, they earn the right to speak, to be active and present in political parties. We are talking about women today. My God, political parties are open in Canada. It is unique! You could not get involved in the political process in Europe as fast as you can in Canada, Mr. Speaker, and you know it. That is what is nice about Canada and Quebec. If someone wants to take part in it, all he or she has to do is to join a political party whose philosophy he or she likes best and where he or she feels more at ease, and say: "I am doing it and not only that, I am going to contribute".

• (2115)

What is a $25 contribution for someone who pays taxes and will get back $19.75? The spirit of the elections act is a bit about all that. And it costs this person $6.75 to say: "I am not only speaking or criticizing, I am taking part in it". Canadians by the thousands, by the millions, should set out to join political parties. But if it is not millions, it should be hundreds of thousands.

Well, this bill is very simple. It is the beginning of the reform. After listening to Lortie, after reading his report, after analyzing it, after digesting it, we produced a first update. We will continue very actively this week, I am going to tell those who have been very involved with the Lortie commission and those who have followed it closely that we have not put aside the Lortie report. We will carry on. It is called phase two. I have committed myself.

[*English*]

And I say that in English. My chairman is here. He knows that we would have never given our consent to phase number one. I know that the hon. member for Champlain and all colleagues feel the same, if we did not have the good conscience of knowing that we are going to come back with another report before the election which will be made on time. I see my chairman acknowledging. He is the hon. member for Calgary West who has been attacked unfairly by some people. I know that he is as determined as I am.

It is a public commitment. I am not going to fool around. I do not make a public commitment that I cannot hold. My public commitments are like my private commitments. When I say I do something, I do it. I would never have given my consent to this if I was not sure that we will proceed immediately and try to convince our colleagues to go further and further until the end of this parliament in order to modernize the institution.

[*Translation*]

What I want to say to our fellow Canadian citizens is that it is an honest effort to modernize our election act. But there is a point which I would like to emphasize. I know that if the Lord is willing to keep me in good health and if voters are willing to re-elect me or to appoint me somewhere else, I would still want to participate very actively in the election process, since I have been talking about it for 30 years or 35 years. At university, in college, I was very active in those issues. The next thing I would like to see is a permanent voters' list. A big project. I will try to describe it in some detail before I close.

What is a permanent electoral list in Canada? It means that instead of taking 55, 50, 47 days for an election—that costs a lot of money. The more money we need, the higher the risk of seeing what is happening right now all over the world: scandals in Japan, in Italy, everywhere, in France, in England, but less in England. If we shorten the election period to 30 days, I cannot conceive such a modern country as Canada—

[*English*]

Canada is such a modern country, the envy of the rest of world. We do not repeat that enough.

[*Translation*]

Canada is the envy of the rest of the world. People come here to see how we hold elections.

• (2120)

Our electoral officers are in demand abroad as trainers. Only Canadians seem unable to see that we have a good electoral system, an excellent system, one that we are constantly improving. We should not be afraid to say that it is not perfect, but at least we are improving it and it is so good that others come and imitate our system.

I am now coming to the permanent list of electors. Why? Because thanks to all this modern technology that I do not understand much—but be warned, I started to learn how computers work—it could be possible, one day, to have only one registration, which could be made available free of charge to school-boards for their elections.

If you would allow me a few moments—I know you can show great patience—I would like to finish my speech. So, to conclude logically, imagine that in my area, at a given time, there are three registrations: school-board, municipal and provincial. You can imagine that it would be possible to reduce costs. If we had good co-operation at all levels, national, provincial, municipal and school boards, the same list of electors could be used by all, as it seems that with computers we can feed data to the computer and it produces the lists we ask for. This way we could save huge amounts of money and at the same time shorten the electoral period.

This is about all there is now to talk about. Many amendments are being considered, and my colleagues mentioned some of them. But, I am abusing your goodwill and I would like to conclude by stating my admiration, shared by my colleagues I am sure, for our system.

[*English*]

I am sure all my colleagues will join with me in thanking the Elections Canada people. The retired returning officer, Mr. Hamel, did a marvellous job. The new Chief Electoral Officer is an officer of the House of Commons, Mr. Jean-Pierre Kingsley.

I know all my colleagues would like to thank the many people who work with them anonymously who are making Canada a country that many people are envious of. Elections Canada has been invited to teach other countries of the world how to manage an election.

I think it is to their credit and to the credit of people who are involved in the election process. I have no hesitation to commend my colleagues. It is not perfection, but we are on our way to making it better and better. There is no doubt in my mind we will come back soon with this law so we can proceed with the other phases.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would like to thank the member for his contribution this evening and all members who have contributed. I think it has been the right kind of debate and the right kind of atmosphere.

The member indicated I was nodding my head. I want to repeat on the public record it is my view that phase two can probably be reported to the House in the next couple of weeks, three weeks at the outside. We will deal with communications expenses, rebates and enforcement. The committee is well advanced in its work on those three major issues. We look forward to the passage by the House before adjournment so they can come into play.

All the phase one and phase two issues will be in place by the next federal general election. The committee had that as a goal and I think it is entrained to be able to meet that.

Almost every member has spent some time on the issue of election expenses. I would like to comment on the one aspect that has not been put on the record. Gallup polls and polls of that kind show that Canadians' confidence in their institutions and leadership, not just political leadership but leadership in general, is going down, not up. People are losing confidence in those kinds of institutions.

When it comes to electoral financing, there is some suspicion about how parties are funded and whether or not they end up owing debts to people. That is part of the concern out there. What is open, in a sense, but less well understood and noticed is the number of groups in Canadian society that make a living for their shareholders and employees by saying negative things about the Parliament of Canada or the politicians. The common characteristic is they ask people for donations. They send them dunning letters and raise money. We and the general public do not know how much they have raised. We do not know who they raised it from. We do not know how they spent it, therefore we do not know whose pocket it ended up in.

• (2125)

We know they are not institutions that are not for profit. We know we have no laws that force disclosure. I began to think about this more seriously since the committee started to meet. I will give two examples.

The first group that phoned me about election expenses is a group called Canadian Taxpayers Federation and it sent me a tabloid newspaper. Most of its newspaper was comprised of wire stories, some of it was created for the newspaper, but it indicated it had a membership of 41,000 people. To be a member one had to give the owner of the newspaper $80. When we multiply $80 times 41,000 it comes to $3.28 million a year to produce six tabloid newspapers. Who gets the profit from that?

Then it moves on to conferences and so on. Who gets the profit? Whose pocket?

The National Citizens' Coalition was on the air the other day. The representative admitted to raising over $2 million last year. However, there is information in my possession which indicates it raised a lot more than that in 1988 and in years before that. It could declare a profit, never a loss. I ask myself whose pocket does the profit go into? What is the size of the pension of the people who work for these organizations? What is the salary they are paid? What does their expense account look like?

The common characteristic is: "Send me a donation and I will complain". This one organization says: "I will defend your freedom of speech", and it went to court and struck down a part of the election law as it now stands.

Did it strike down the part that puts limits on candidates and parties? Not on your life. If it was really an advocate of free speech it would have struck down the limits on everyone. That would have been its argument: candidates, parties and others. No, Mr. Speaker.

These organizations are in a better fund-raising position if there are limits on candidates and parties and not on them. Then they can complain about politicians. They can raise money. They have no obligation to tell people how much they raised, how they spent it and whose pocket it ended up in.

Those days are coming to an end. This Parliament must do all it can to make funding during election periods transparent so we know how much it is, where it comes from and how it is spent. If we can put that in with some kind of reasonable limitation, we will have made Canadian election law a lot better than it has been historically.

I thank all the colleagues on the committee for raising the issue. It has a level of complexity that had not been dealt with at great length. I just wanted to make sure it was dealt with on the record this evening. Thank you, Mr. Speaker, for the opportunity to make comments.

[*Translation*]

Mr. Prudhomme: I thank my colleague for raising this last point. Often, when we make a speech, we get away from the points that we wanted to discuss. I thank him for his comments because I fully agree with him and with several other parliamentarians. Indeed, I would hope that when we table an amendment, a free vote will take place.

[*English*]

I hope we will have a free vote on this issue when we introduce amendments. We believe we should limit indirect expenses as well as direct expenses.

I know my colleague from the New Democratic Party who is still here, the hon. member for Thunder Bay—Atikokan, has been very devoted to this question as have many Conservatives. It is not a question of partisanship.

I would not like people to say they cannot vote for the amendment because the government could be defeated. It is easy to say on this particular item, vote as you see fit, not according to your conscience because some feel this way or some feel that way. You must not say everything is a question of conscience. If you talk too much about that you end up having none, but I passionately believe.

• (2130)

When I said I did not want the Americanization of our Canadian political system, that is exactly what I had in mind. I do not only agree that we should limit, as Lortie said, the direct expenses to $1,000 so nobody would dare attack us in court according to the charter, but what is not allowed directly should not be allowed indirectly.

I am sure many colleagues and many friends will fight until the very last minute. If we do not get it this time we will have it some day because the Canadian people will understand their political system. They will understand what the member said. They will understand what the NDP and some Conservatives said.

[*Translation*]

I would say: Free us, free us from these occult forces that want to control politicians.

If you really want to democratize Canadian life, free us from those who, behind the scenes imagine that with big contributions they might eventually get indirectly and secretly what they cannot get directly, openly and publicly. That is the spirit behind this bill, and that spirit will shine through when it is understood, because it is in the best interests of Canadians to support it. Therefore, a maximum of $1,000 should be allowed for direct advertising since we had to recognize that the Supreme Court would probably decide one day that people have a right to something. We suggest it should be $1,000. Personally, I would have said zero, but if we settle for $1,000 worth of direct advertising, I submit that anything that cannot be done directly should not end up being done indirectly.

I know of a proverb, but I seem unable to recall it tonight and I would like our learned Speaker, who is a great linguist and a great Latin scholar, to tell us what it is exactly. I refer to the inscriptions on the wall in the Senate that are all in Latin and all from great Romans. That is why they are so long. There is a proverb by Seneca that says that nothing is well ordered that is hasty and precipitated.

[*English*]

There has to be prudence.

[*Translation*]

These are good living guidelines, these are the very words of Orestes. And Cicero, to close with him, said—and that was probably what motivated Mr.Trudeau—that one had to be guided by reason, not by public opinion. We did an honest job or rather, we tried to do an honest job and we will keep on improving on it. I thank my colleague for his comments.

[*English*]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Motion agreed to.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 61(2), the next question is on the motion of Mr. Andre. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I declare the motion carried. Accordingly, the bill is referred to the special committee on electoral reform.

Motion agreed to, bill read the second time and referred to the special committee on electoral reform.

[*English*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I move, seconded by the hon. member for Manicouagan:

That the House do now adjourn.

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

Some hon. members: Agreed.

An hon. member: On division.

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Motion agreed to.

The Acting Speaker (Mr. DeBlois): Therefore the House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 9.34 p.m.

HOUSE OF COMMONS

Tuesday, March 9, 1993

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

CO-CHAIR OF PROGRESSIVE CONSERVATIVE CONVENTION—SPEAKER'S RULING

Mr. Speaker: Yesterday the hon. House leader of Her Majesty's Loyal Opposition rose on a question of privilege claiming that the Deputy Speaker, the hon. member for Saint-Hyacinthe—Bagot was guilty of a contempt of the House for accepting to co-chair the Progressive Conservative leadership convention in June 1993.

Normally the Chair would not allow comment on the conduct of a Chair occupant to come before the House in such a manner. There is a formal and well-established procedure whereby Chair occupants can be censored. I allowed the discussion because the hon. member insisted on proceeding forthwith and pointed out, as subsequently also did the hon. member for Mission—Coquitlam, that the Deputy Speaker's performance in the House was above any reproach and was not in question.

I have had an opportunity to review the comments hon. members have made and I wish to thank all those who sought to assist the Chair in this most delicate issue.

I have reviewed the procedural authorities and have found much comment on the role and impartiality of the Speaker but regretfully very little on the Deputy Speaker. Practice and conventions vary greatly throughout the Commonwealth. In Canada, Deputy Speakers invariably, during majority governments, are chosen from the ruling party on motion made by the Prime Minister. They remain members of their political party, may attend caucus if they choose and may even participate in debate. They can, and often have, voted on controversial government proposals. Some Deputy Speakers have chosen not to attend caucus and/or have refrained from voting in the House. The current incumbent has done just that, voting only twice since assuming the role of Deputy Speaker, on the abortion legislation, which I point out was a free vote, and on the question for the 1992 referendum. It is no doubt such exemplary conduct that led to the generous comments made about her by all members who participated in yesterday's discussion.

In the context of the Canadian practice, and in the absence of specific direction of the House, Deputy Speakers have exercised their discretion to varying degrees. I have some difficulty in agreeing with the hon. member for Cape Breton—East Richmond that the Deputy Speaker is cloaked with the same exigencies that are expected of the Speaker himself or herself, and I am deliberately careful in not extending such a responsibility by way of *ex cathedra* comments in this decision. I have no hesitation in ruling, however, that the matter as raised by the hon. member does not constitute a prima facie case of privilege.

ROUTINE PROCEEDINGS

• (1010)

[*English*]

SUPPLEMENTARY ESTIMATES (C), 1993

A message from His Excellency the Governor General transmitting Supplementary Estimates (C) for the financial year ending March 31, 1993, was presented by Hon. Gilles Loiselle (President of the Treasury Board) and read by the Speaker to the House.

[*Translation*]

REFERENCE TO STANDING COMMITTEES

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I move:

That the Supplementary Estimates (C) for the fiscal year ending March 31, 1993, laid on the table on March 9, 1993, be referred to the several Standing Committees of the House, as follows:

Since the list of votes in the Supplementary Estimates to be referred to the various committees is quite long, if it is agreeable to the House, I would ask that the list be printed in *Hansard* as if it had been read.

The Acting Speaker (Mr. DeBlois): Is it agreed?

Some hon. members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Aboriginal Affairs

Indian Affairs and Northern Development, Votes 1c, 10c and 15c

To the Standing Committee on Agriculture

Agriculture, Votes 10c and 25c

To the Standing Committee on Communications and Culture

Communications, Votes 1c, 10c and 35c

Secretary of State, Votes 1c and 5c

To the Standing Committee on Consumer and Corporate Affairs and Government Operations

Privy Council, Votes 1c and 10c

Public Works, Votes 1c, 6c and 25c

Secretary of State, Vote 15c

Supply and Services, Vote 2c

Treasury Board, Vote 15c

To the Standing Committee on Energy, Mines and Resources

Energy, Mines and Resources, Votes L25c and L32c

To the Standing Committee on Environment

Environment, Votes 1c and 15c

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 1c, 10c, 16c, 35c, 37c and 60c

To the Standing Committee on Finance

Finance, Vote 35c

National Revenue, Votes 5c and 10c

To the Standing Committee on Forestry and Fisheries

Fisheries and Oceans, Vote 10c

Forestry, Vote 10c

To the Standing Committee on Human Rights and the Status of Disabled Persons

Justice, Vote 1c

To the Standing Committee on Justice and Solicitor General

Justice, Votes 5c and 35c

Solicitor General, Votes 1c, 10c, 16c, 20c, 25c and 35c

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 10c, 15c and 16c

Labour, Vote 15c

To the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women

National Health and Welfare, Votes 1c, 5c and 25c

To the Standing Committee on Industry, Science and Technology, Regional and Northern Development

Indian Affairs and Northern Development, Votes 35c and 45c

Industry, Science and Technology, Votes 1c, 5c, 55c, 60c and 70c

National Health and Welfare, Votes 30c, 40c and 45c

To the Standing Committee on Transport

Privy Council, Vote 15c

Transport, Votes 1c, 15c, 25c, 35c, 41c, 47c, 49c, 50c and 51c

Motion agreed to.

[*English*]

Mr. Dingwall: Mr. Speaker, I rise on a point of order.

For the benefit in particular of the chief government Whip, I want to indicate to him and to the President of the Treasury Board that the Official Opposition was not given notice verbally or otherwise of the tabling of the supplementary estimates, which is a tradition around this institution.

I am sure the minister is aware that a vote could have been ordered concerning this particular motion of reference to the committees.

I would like the House to know that once again members of the opposition, notwithstanding the breaking of the traditions which seems to happen from time to time by members opposite, are attempting to co–operate with the government at every opportunity so that we can have a full and extensive debate on various subject matters which will come before this House.

Mr. Loiselle: Mr. Speaker, I thank the hon. member for his understanding. This was done inadvertently and I do apologize. It is probably due to my lack of experience.

Mr. Riis: Mr. Speaker, I was not going to respond to this but we were informed just before the House began this morning that the government had inadvertently missed us in notifying the opposition House leaders about the government's intention.

I simply want to clarify that we were notified, though late, but it was identified as an oversight as well and presumably this will not happen again.

* * *

[*Translation*]

NATIONAL TRANSPORTATION ACT REVIEW COMMISSION

TABLING OF REPORT

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, pursuant to Standing Order 32(1), I have the honour to table, in both official languages, the two-volume report of the National Transportation Act Review Commission.

[*English*]

Pursuant to Standing Order 32(5) I ask that this report be referred to the Standing Committee on Transport for review.

Mr. Dingwall: Mr. Speaker, the Minister of Transport has just tabled a document. I wonder whether he will be making a statement which is customary with tabling of such significant documents. Will he be doing that under tabling of documents or when we move to statements by ministers? Can we anticipate a statement by the minister?

Mr. Corbeil: Mr. Speaker, we think it is proper for the members and chairman of the commission to make the official presentation publicly and I shall make a statement afterward.

• (1015)

[*Translation*]

HOUSE MANAGEMENT

69TH REPORT OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, I have the honour to present the 69th report of the Standing Committee on House Management, regarding the list of members of standing committees. With leave of the House, I intend to move for concurrence in this report later today.

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

[*English*]

CONCURRENCE IN 69TH REPORT OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, if the House gives its consent, I move that the 69th report of the Standing Committee on House Management, presented to the House earlier this day, be concurred in.

Motion agreed to.

* * *

[*Translation*]

PETITIONS

REQUEST FOR ELIMINATION OF VIOLENCE IN OUR SOCIETY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I would like to table a petition from residents of Saint-Laurent de Gallichan, in the riding of Abitibi, who say that films depicting violence on television are dangerous and therefore unacceptable because they act as a stimulus for violent behaviour; that all toys that incite children to play violent games are unacceptable and their manufacture should be banned; and that when acts of violence are reported, freedom of the press should be restricted since the repeated broadcasting of news about acts of violence on television, on all channels, and on radio may act as a stimulus for further identical violent behaviour.

Therefore your petitioners humbly pray and call upon Parliament to pass appropriate legislation in order to eliminate violence in our society and thus protect our children and give all citizens a better quality of life.

[*English*]

KILLER CARDS

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, pursuant to Standing Order 36, I have the honour to submit a petition on behalf of constituents of my riding; Glace Bay, Sydney River, Lingan Road, Gardiner Mines, East Broadway and other parts of Cape Breton county, calling on the Government of Canada to stop the importation of killer cards, which ought to be seized at the Canada–United States border to stop their distribution in Canada.

The petitioners humbly pray and call upon the Parliament of Canada to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards in law and to advise producers of killer cards that their product, if destined for Canada, will be seized and thereafter destroyed.

[*Translation*]

FEDERAL GRANTS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I wish to table a petition from Saskatchewan with 7,000 signatures. Your petitioners express certain sentiments which I will share with you and which I believe are common to all groups in this country.

[*English*]

These petitioners ask the government to review its education policies, its cuts to established programs funding, its cuts to training and retraining, its cuts to research and development, its archaic student aid program and the 3 per cent tax it imposes on student loans for those students who need to borrow money in order to go to college or university. As well, they deplore the six-month additional interest on student loans that the government has just added.

[*Translation*]

I therefore table this petition on their behalf and on behalf of everyone in this country who shares their point of view.

• (1020)

[*English*]

IMMIGRATION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour and a privilege to present a petition on behalf of a number of very thoughtful and concerned constituents from Kamloops who point out that the Minister of Employment and Immigration has announced the government's intention to close Canadian immigration centres in western Canada and to sharply curtail employment and immigration services offered to new immigrants in other centres.

The petitioners point out that this centralized case processing centre in Vegreville is in area far removed from where the new citizens will be living, working and making their applications. It will most surely create undue delay, deferment and confusion for applicants and those who will be called upon to attempt to administer this new policy. They point out that the present system is working very effectively from their point of view.

In conclusion, the petitioners indicate that the new policy will simply serve to undermine the established objectives of the community that works so closely with the Kamloops CIC office now. It will simply result in poorer service to potential investors and immigrants who will be thinking of investing outside the already overcrowded urban areas such as Vancouver.

They point out that the smaller communities cannot offer on the spot assistance and encouragement when investment outside the large urban centres would be less attractive to the potential immigrant investor, plus a long set of other concerns. The petitioners simply ask the Minister of Employment and Immigration not to close immigrant centres that serve smaller urban areas such as in Kamloops, British Columbia.

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on another matter, petitioners throughout British Columbia point out their opposition to a firm's plan to divert the North Thompson River near Valemount in an effort to sell the fresh water in the San Diego, California area.

The petitioners are simply asking the Government of Canada to ensure that this does not happen.

BILL C-268

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on another issue, the petitioners from a variety of Indian bands from British Columbia are calling upon the Parliament of Canada to enact the content of Bill C-268, an act respecting a national solidarity day for the aboriginal peoples of Canada.

QUESTIONS ON THE ORDER PAPER

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO AMEND

Hon. Monique Vézina (for the Minister of State and Leader of the Government in the House of Commons) moved that Bill C-73, an act to amend the Canada Post Corporation Act, be read the third time and passed.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, we are dealing with Bill C-73 here in Parliament, a bill which is heading Canada Post in a totally new direction, a bill that many people have commented upon. Many people are very sceptical about the reason that this bill has been put in place and sceptical about what will happen in the future with regard to Bill C-73, a bill to sell 10 per cent of the value of the Canada Post Corporation to people working in Canada Post.

If I look back at the record of the report coming from corporate and consumer affairs and operations in April 1990, recommendations were made there which were at that time a bit alarming. The recommendation coming out of that committee was that the Government of Canada privatize Canada Post once adequate financial performance and comparable levels of practice to making profits in the private sector could be accomplished and once the relationship between employees and Canada Post settled down.

What we are hearing is if Canada Post has a good value and we can solve some of the employee relations problems, we should sell Canada Post, we should privatize Canada Post.

• (1025)

The Liberal Party at that time was very opposed to any moves to sell Canada Post and we submitted a minority report. The report suggested that would be a critically bad move.

However, the committee decided to go ahead with that report and submitted it to Parliament in April 1990. Today we are seeing the result of the beginning part of that recommendation, the part that suggested shares be sold to employees.

Recommendations 36 and 37 dealt with public sales and sales to employees. Step one has been implemented by the government.

I thought this morning at the initial part of this discussion it might be wise to point out what some other people across the country have said about this bill. If we look at articles in *The Toronto Star* I think we find some good insight as to how Canadians may view this legislation.

I quote from *The Toronto Star*:

> Lately, Canada Post Corp. has begun to look like a steer being fattened for market.
>
> The pressure is on to boost profits and squeeze costs so that in two or three years the Progressive Conservatives can sell the politically troublesome beast, or parts of it, to the highest bidder.
>
> If all goes according to plan, Canada Post hopes to make a 14 per cent return on equity in 1993, and start paying Ottawa an annual dividend of 40 per cent of its operating profits.

That really means Canadians are looking at a new tax as a result of taking the profits of Canada Post Corporation and paying the government a 40 per cent operating premium.

There is even talk of Canada Post being required to pay corporate income tax for the first time. On the surface the campaign to fatten the bottom line is a good process. Unfortunately, if you look beneath that surface you see some real problems.

Much of the Crown corporation's recent business success has been earned on the backs of mail users. We have higher postal rates. Every one of us has gone to the post office and has seen the price of a stamp go up 1 cent, 2 cents, 3 cents, 4 cents on a regular basis.

Since being in Parliament, I have seen it regularly go up on January 1 like clockwork and so has every other Canadian in this country. We have seen this government move toward supermailboxes in new suburban areas,

degrading the type of delivery service that Canadians should have.

Believe me, when you go to that post office in Ottawa weather like today and try to get your mail that post box is frozen. After a rainstorm, snowstorm or any difficult weather, you might be two or three days trying to get your mail out of that supermailbox. That says an awful lot about service to Canadians and concern for that person who is getting his or her letter delivered.

When you go to those supermailboxes and there is a snow-drift in front of it, you cannot get into it. This is another problem that is created readily. Already we see Canada Post thinking about paying dividends to Ottawa as a tax on postage. That can only negatively impact the services across this country. Vital postal subsidies in support of a fragile Canadian magazine and newspaper industry have been taken away.

• (1030)

We debated that issue that was gazetted in the last two years where small-town newspapers have had the big hand of this government and the big hand of Canada Post pull those subsidies away, where the profit lines were very close and the newspaper had to be very careful of its operation.

Subsidies to help them continue to get local information out to small communities have been removed. Subsidies to help ethnic newspapers continue to operate across this land have been removed. The result is that every Canadian from coast to coast pays more money for that newspaper or magazine to be delivered to them. Every Canadian pays it in a different way. Previously there was some protection given to these newspapers and magazines to keep the Canadian press going. That has been removed. It is really a passing down of the costs to other people.

A committee of MPs says labour relations in Canada Post have changed very little since 1985. I have heard the minister suggest that this legislation is going to improve the relationship with employees in Canada Post, but those employees have come back suggesting they want no part of this legislation. It seems odd to me that on the one hand the government says this will solve our employee employer relationships but in reality the work force says absolutely no way.

That is a viewpoint from *The Toronto Star*. Much of that information is what *The Toronto Star* has said about this legislation.

As well, I want to point out that in *The Ottawa Citizen* there have been articles about this Canada Post legislation. Mr. Andre was quoted as insisting that privatization was not in the cards. The article goes on to say:

> "If I had to bet, I would bet that in the next couple of decades, you will see post offices being privatized all over the world and I would not mind seeing Canada first."

Yes, Mr. Andre would like to see Canada first. I have a sense that this is the beginning, no matter how much it is denied, of the privatization process.

There is another article in *The Ottawa Citizen* in which states:

> While saying the federal government will not move to privatize Canada Post before the next election, Mr. Andre refused to rule out taking that step in later years if the Tories remain in power. Such a decision might make sense, he said, if mail service to unprofitable areas can be guaranteed.

The design is there. The plan is there. The comments are there. This is the beginning of the privatization process. Further to that, another article indicates that there may be many problems with this legislation. We are not hearing the full story.

If the government allows Canada Post employees to buy stock in that enterprise, how long will it take Ottawa to conclude that everybody should have shares in Canada Post? I contend here today that it is not going to take the Conservative government very long to decide that everybody should share in this corporation.

• (1035)

Mr. Andre insists that the employee stock scheme is not the first step toward privatization of what is fundamentally a public service, but the Prime Minister once assured Canadians that the Crown corporation Air Canada was not for sale. It was not that long ago that the Prime Minister insisted Air Canada was not for sale, but look at us today. Harvie Andre—

The Acting Speaker (Mr. DeBlois) According to tradition in this House, the rule is not to name hon. members by their names. I appreciate the co-operation of the hon. member.

Mr. Pickard: Mr. Speaker, I stand corrected. I was quoting an article and I carried on. I am speaking of the minister responsible for Canada Post.

An hon. member: Irresponsible in this case.

Mr. Pickard: My colleague suggests the minister is irresponsible. That may be a little bit biased and critical but Canadians are very critical of this legislation and Canadians are very concerned, so I guess I am hearing that from many Canadians.

The point is that the process has begun. We can see from the consumer and corporate affairs committee on April 19, 1990, that the process was suggested and put in place.

We can see from comments that have been made by the minister responsible for Canada Post that he believes that privatization is what should happen. Now we can see steps toward what I would consider a disastrous process.

As politicians, members of this House and legislators, we must examine legislation and decide what the acid test should be for legislation that comes forward. What is the acid test that we use as legislators to determine what type of legislation should pass? What are the things that a bill should address?

Legislation should address changing needs in Canadian society. I think we all agree on that. Bills should answer questions, resolve conflict and establish a framework for the future. Legislation can lead, but not only good legislation. Sound legislation should be accepted by the society it is put in place to serve.

That brings us to Bill C-73. Does Bill C-73, which amends the Canada Post Corporation Act, pass the acid test? Does selling shares of a Crown corporation address the needs of Canadian society? Does that really address the needs of our society today or in the future? Does this legislation answer the concerns and questions that have been raised about the postal system? Does this bill lead one of Canada's oldest and most omnipresent institutions in a direction acceptable to Canadians?

In brief, is Bill C-73 really good for Canada? In creating the Crown corporation in the early 1980s the Liberal government established five principles for the postal system. Those five principles are very clear and are spelled out in the Canada Post Corporation Act.

The first principle was to improve products and services in the changes in our communication. Improve products and services. Help communications in this country. That is a goal of Canada Post.

Two, operate in a self-sustaining financial base while meeting the needs of the people and offering similar services to all communities large and small throughout Canada.

Three, provide for a secure mail service. Four, utilize human resources to attain corporate objectives and to secure employment commitment and dedication. Those are two common goals. Five, maintain a corporate identity that reflects the corporation as an institution of the government.

• (1040)

Does Bill C-73 help to achieve these five mandates? Remember, these mandates are in the present postal act. The present Canada Post Corporation Act includes these statements. The answer to those statements, as far as Bill C-73 is concerned, is that everyone in this House can say no resoundingly. Bill C-73 does not help achieve these mandates. In fact, it fails miserably.

Bill C-73, an amendment to the Canada Post Corporation Act, does nothing to enhance the goals established by legislation for the system we have in place today. What exactly is Bill C-73?

Bill C-73 would establish an employee share savings plan. This employee share savings plan would permit employees to buy shares of the corporation. Participation in the employee share savings plan would be voluntary. It sounds simple. Right? Wrong.

How many shares? We did not get answers to that. What is the worth of the corporation? What is the share value? What is an employee? Can some shares be given away? Are others sold? How will shares be cashed in when an employee is ready to get his money out?

These are just some of the questions raised but unanswered in this bill. In fact, the bill would permit shares to be given away. The bill gives no vote and no voice to the employees who participate and put their money in. The bill is inconsistent and incomplete for everyone.

It is like buying a car and not looking at the price-tag, just handing the salesman a blank cheque and saying that is the car. It is a little ridiculous in my mind and very

difficult to justify in the minds of Canadians who have bought and paid for this corporation over history by supporting Canada Post Corporation, through government funding of Canada Post Corporation and by buying postage stamps and postage services. Yes, this corporation has been purchased by Canadians with Canadian dollars.

Now a small group of people are selling it off, the management of Canada Post and the Conservative government. Bill C-73 is vague and provides no detailed proposal on those questions that I raised.

What does Bill C-73 mean for service to Canadians? Does Bill C-73 offer equal service to communities of equal size? Does Bill C-73 advance communication mechanisms to take into account new technology and technological changes? Will the passage of Bill C-73 reopen the over 1,400 post offices closed or converted in the last six years? Will this bill stop the further closures scheduled for this month, next month, this year and so on?

• (1045)

This bill does absolutely nothing to address the single biggest issue in Canada as far as the postal corporation goes, and that is good delivery service to Canadians.

Some six years ago there were over 5,200 post offices in Canada. Today there are less than 3,800. In over 1,400 Canadian communities the institution has been removed. The flag has been taken down. The symbol of Canada has been destroyed. This has not been an act of terrorism, not terrorism as we know it, but rather it has been a systematic dismantling of a great Canadian institution executed by a corporate plan authorized by our government, a Conservative government.

Does this bill say: Stop, enough is enough? No, it does not. Despite the efforts of thousands and thousands of Canadians who, even through countless petitions, have requested that the government stop this closure policy the government continues its course. This bill does nothing to reverse that trend. This bill does not help return the postal institution to communities where it has been so vital historically in this country.

What can Bill C-73 do for employer-employee relations? The minister responsible for Canada Post said that the employee plan can play a significant role in laying the foundation for increased co-operation between employer and employees by augmenting employee interest in the well-being of the employer and its financial success.

What do the employees say about this Bill C-73? Postal workers will not be bribed by the government's employee shares scheme. Read the lead line of the response of the Canadian Union of Postal Workers. The Public Service Alliance of Canada labels share-selling by Canada Post a sham. There is not much support from the rank and file workers of Canada Post. In fact there is no support, there is not one bit of support from the rank and file workers.

The only group that we have not heard from is top management. Are the top managers, the high-priced help, perhaps eager for the passage of this bill? They could be, and for a really good reason. Top managers may see this as an opportunity for some freebies, some additional perks. The reason for their excitement is that they could get shares for free. Remember how they criticized the vagueness of the bill. One thing that has been made very clear, one clause in the bill that is extremely clear, is that shares can be given away.

What are the possibilities of giving these shares to letter carriers out there? What are the possibilities of giving shares to the clerks at the counters who we see when we go into Canada Post? What are the possibilities of giving shares to the workers, to the average people in all of our communities? I would submit that the possibilities are very limited.

What are the chances of the corporate president, vice-president or the board of directors of getting some of these freebies, maybe in the form of remuneration, a stock option plan or some other scheme that may well be put in place by the cabinet? It may be in the form of some other perk. How can we rely on a postal service for equality of service when it will not even treat its employees equally? How can we trust this legislation, or indeed the cabinet or government or the board of Canada Post when we see their track record?

• (1050)

This bill does nothing for employee-employer relationships. It does not solve any of the estimated 100,000 grievances. If anything, this bill will create even greater division between the privileged and the non-privileged workers in the postal system.

Therefore, if Canadians will not benefit, if services will not improve, if closures continue and the majority of employees oppose such a plan, who is the winner? What does Bill C–73 do or potentially do for Canadians or for Canada Post? The answer is simple. It is extremely simple. The answer is money. How much money? Nobody knows. What to do with the money? Nobody is saying.

At the legislative committee hearings financial returns from the share sale were said to be in the multimillions. But there is certainly a question here. Nobody knows. What is certain is that the top brass would love to get their hands on a lot more money. Who would not? But the issue is more than that; the employees' stock plan provides no voting rights. Some employees will have to buy stocks at a price yet to be determined. Some employees will get them for free and cash them in the future. However, Canada Post wants money. The corporation is profit driven at this point, not service driven.

The attaining of profits at the expense of service, employee security and good labour relations seems to be okay with the current Canada Post administration. No one will argue that Canada Post should be self–sufficient, but there is a difference between self–sufficiency and profitability when it is done at the expense of the Canadian taxpayer.

Remember, Canadians support the postal system by their patronage and through their taxes. Tax dollars put the postal system in place, expanded it and still subsidize it. Every Canadian who ever paid taxes, every Canadian who ever bought a stamp has contributed to the establishment of the Canadian postal system. Now what right does the current management have to start selling off Canadians' assets?

When the postal Crown corporation was established it was not intended to be sold. It was intended to be improved upon. Contrary to the government's claim that this bill is not the first major step for privatization, the indication is clear that it is. It is a move toward privatization.

At a time when most Canadians anxiously try to have their postal services improved, we continue to dismantle ours and give the current administrators leeway to go in any direction they wish. The corporation would benefit from a share sale in the short term. More money would permit corporate lenders to meet its financial obligations to the government. More money in the till may make Canada Post look a little sweeter to possible investors for privatization. Only a dreamer would think that turning our backs on the problems at Canada Post will make them go away.

• (1055)

Bill C–73 is not a bill for Canadians. It is not a bill to help the average person. It is not a bill to open corporate post offices. As far as I can see, it is a bill based on a money–driven economy which over the long run will reduce services across this land. These include the services of newspapers, the services of small communities and the new expanding areas where more supermailboxes will not be accessible in much of our winter climate. In fact, there are many, many cuts in service.

There are many irritants for all Canadians in this bill. Bill C–73 creates many more questions than it answers. It causes more concerns than it addresses and it does not even come close to tackling the important issues at Canada Post.

Labour relations are very important. Effective postal services to Canadians, equality of postal services, security of the mail, good corporate identity, these five principles of the Canada Post mandate are unaddressed in this amendment. This amendment is a contradiction of the policies and premises outlined in the Canada Post Corporation Act.

We in the Liberal Party, in the opposition, feel it is an ill–founded and very detrimental piece of legislation to the communication system across this country. We could liken it to the removal of telecommunications from many communities. There was the removal of CBC in my local area. Removing what joins this country together will not improve Canada; it will pull us down further.

This government should reconsider this bill. Stop this insane action of putting Canadians second.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is indeed a pleasure to say a few words today regarding Bill C–73, an act amending the Canada Post Corporation Act.

If ever there was a case to be made that spending time in the House of Commons was not always a useful exercise, this probably has to be the best example. Bill C–73 is taking up time in the House of Commons and will do absolutely no good as far as the people of Canada

are concerned. It will do absolutely no good in terms of Canada Post. It is a complete waste of time, effort, energy and money. This is probably a good reason that this place should shut down.

That is not our case to make as members of the opposition. For the government to suggest that Bill C-73 will do any good whatsoever shows the government is dreaming in Technicolor.

The purpose of this bill is to make 10 per cent of Canada Post's non-voting shares available for purchase by Canada Post employees on a voluntary basis. The minister responsible claims this initiative will help to eliminate the labour-management tension currently existing at Canada Post.

I wonder if the minister has spoken with anyone who works for Canada Post. If he had, he would know that this is not true at all. I have not encountered anyone who would even indicate there is one slight iota of hope that this is going to improve the working conditions and environment at Canada Post.

I met with some Canada Post employees. As a matter of fact I have had discussions with Canada Post employees and management across the country. Of course off the record, even they agree that this is a complete waste of time. It is an embarrassment because here we are offering the employees an opportunity to buy into the ownership of Canada Post and they tell me that they already own it. Canada Post is already owned by the people of Canada and they are people of Canada. Therefore they are already members and owners of this particular corporation.

• (1100)

They wonder if this is not some kind of a scam the government is trying to pull on employees by suggesting that somebody else owns this corporation. It is a Crown corporation. The people of Canada own that and the postal employees are already owners in a sense.

To suggest employees will now be permitted to buy into Canada Post is laughable. However, we have seen this story before. It ought not to be news to Canadians that the government is trying to give the impression of taking action particularly when it says it is going to eliminate labour-management tension because of this. Nothing could be further from the truth.

One thing we have seen from the government is the dismantling of post offices across Canada over the last number of years. As a matter of fact the evidence shows that over 1,200 post offices across Canada have been closed by this government. It says this is all part of a money saving initiative.

It is something more than that. It is the removal of what has become a symbol throughout much of Canada, particularly in the small communities and rural areas. The one symbol of Canada always seen is the flag flying over the post office. It is much more than simply a government office. It is often the virtual centre of the community, the focus of community activity.

Some of the small rural post offices in my constituency act as a security check for individuals, particularly for senior citizens. In a small community just outside Kamloops last winter the postmaster noticed that a certain individual, an elderly gentleman, had not been in to pick up his mail for a number of days. He would come in regularly at 10 o'clock every morning to pick up his mail. It was part of his regular lifestyle. He had not been in for a few days so the postmaster telephoned the local detachment of the Royal Canadian Mounted Police and made this observation and it went out to check. Sure enough, the elderly gentleman was extremely ill as a result of a bad fall. Had he been left for perhaps even another few hours, certainly a few days, he would have died. However, they were able to rescue him as a result of the thoughtful initiative taken by the postmaster of this small post office.

That is one of many examples I am familiar with. I suspect I am familiar only with a handful of situations in my own constituency where the post office has played a valuable security role for individuals in the small community or rural area surrounding it.

This is part of the systematic dismantling of Canadian institutions that this government has launched into for over eight and a half years. The post office glue which holds this country together and reminds people daily of the unifying efforts of the Canadian government and how this institution has played such a critical role far beyond simply providing postal services is being dis-

mantled. This is one of the reasons Canadians oppose this general process so much.

I must add that when this bill was in committee, which is the stage where people knowledgeable about the contents of legislation make their views known, there were many criticisms about this legislation. Question after question put during committee hearings went completely unanswered by post office representatives. When the legislation was put to the test in committee more problems and questions came up than answers. For that reason alone the government should be rethinking this initiative as opposed to using its parliamentary majority muscle to push the legislation through. Much more could be done in terms of improving employee-management morale and improving the efficiency of the postal corporation if the board of the post office would simply listen to the people who actually do the work.

• (1105)

One thing has impressed me time and time again. When we discuss with individual postal employees, with representatives of their unions, or simply with groups of postal employees in various situations, there is an abundance of ideas and suggestions on how to make the post office more effective and more efficient. There is no shortage of suggestions, some very creative in terms of using post offices particularly in the smaller communities to provide a range of services otherwise not offered. There is much more in terms of offering a wider range of services throughout the entire postal corporation.

We notice that seldom are those suggestions heard by those who make the decisions. As a matter of fact, with the existing morale situation people presumably are now hesitant about making suggestions in view of the fact that whenever they have been made in the past essentially they have been ignored.

I oppose Bill C-73 on four main points. I believe this is the first step toward full privatization of Canada Post. I believe this will do very little, if anything, to improve the problematic labour-management relations associated with Canada Post. I believe Canada Post has proven in the past that it really cannot be trusted to stop harassing union members who provide the work and cannot be counted on to stick to its word. I will explain that in a moment or two. I suggest that this bill does very little, if anything, to maintain or improve service to many urban and rural Canadians. There is absolutely nothing to enhance postal service at all.

Let us turn to the whole matter of this being the first major step toward privatization. I do not have to remind anybody that privatization has been a policy tool used by this government many times in the past. There is no doubt the government is eyeing the opportunity to sell off Canada Post at some point. The only question is when, not if. The minister responsible has publicly indicated that he does not believe this is the first step toward privatization, but he still clings personally to the hope that one day we will privatize Canada Post.

As I was saying, my thinking is totally different in this matter. The minister responsible has said he sees nothing in terms of problems associated with privatizing the post office and that he would like to see Canada lead the way in this area. As a matter of fact on May 1, 1992, in an article in *The Ottawa Citizen*, he had the following to say:

> If I had to bet, I would bet that in the next couple of decades, you will see post offices being privatized all over the world and I would not mind seeing Canada first.

That is the minister responsible for the post office indicating his priority in life would be to see the privatization of post offices, with Canada leading the way.

When we look carefully at the contents of Bill C-73, we notice it is really an effort to make Canada Post appear more attractive to outside buyers or to potential purchasers in future. With this bill in place the government can say to prospective buyers that Canada Post employees have a stake in making a profit for the company yet have no say in how the company is run because the shares are non-voting. Therein surely has to be the proof of the pudding. When we actually start to look carefully at it, we notice the shares being offered to the employees are non-voting shares. It does not take much imagination to recognize it means the people most knowledgeable about the postal operations will not have any say in the operation of the company whatsoever. If the post office wanted to be serious about encouraging employee participation, participation in a meaningful way as members of the board of directors would be much more effective. We have seen that model in the past work reasonably well from time to time. However, the

offering of non-voting shares is a very empty gesture indeed.

• (1110)

When we talk about privatization let us all recall very carefully a statement by the right hon. Prime Minister when he indicated to the past president of the Quebec Federation of Labour, Mr. Louis Laberge, that Air Canada was not for sale. This was quoted widely in the press because at that time many of us in opposition were saying that we thought the government was going to begin to privatize Air Canada. The Prime Minister went on record and said: "Here is my word. I am saying to the president of the Quebec Federation of Labour once and for all, for all Canadians to hear, that Air Canada is not for sale". That was the quote. It was headlined from coast to coast to coast. We could trust the Prime Minister; he had stated it very clearly.

Mr. Boudria: Did you say "trust the Prime Minister"?

Mr. Riis: Members are questioning whether I was quoting the Prime Minister. Yes, I was. Having said that, within a very short period of time the government began to sell off part of Air Canada. It began to privatize Air Canada.

Mr. Langlois: No. The stock of the company was sold, not the company itself. The assets of the company were not sold. There is a difference.

Mr. Riis: My friend opposite says: "No". The stocks of the company were sold to the private sector. We can quibble over just what it was, but I think the Prime Minister was trying to say: "If I was going to tell the truth here, I would say that Air Canada would not be privatized". That process has begun. The government has said regardless of what its Prime Minister says that it is going to do something totally different. It is fair to say that the government record on privatization speaks for itself.

We have heard time and time again—and I am diverting my thinking to the free trade discussions—the Prime Minister saying that social programs would not be touched, that they were a sacred trust. I guess he was also referring to things like the family allowance. It was a sacred trust. The family allowance would never be touched, he virtually was saying. What did the government do? It totally abandoned family allowance. Family allowance does not exist today. We cannot have a sacred trust and the next day completely abandon the program. It is that kind of hypocrisy we have encountered on a regular basis in this government. Regardless of what anyone says, people are reluctant to have faith in those comments.

I have to acknowledge that the member from Calgary, the present minister responsible for the post office, speaks out from time to time and speaks very truthfully. He had the courage to say it was his hope the government would privatize the post office of Canada. He said that, and I think we have to respect his words because he does tend to speak very forcefully. We can assume the government will certainly plan to follow through on what he says.

On another matter, I wanted to indicate why my party and I oppose the legislation. It is the suggestion that this will bring labour-management peace. The minister responsible for the post office indicates that Bill C-73 is designed only to make Canada Post employees feel proud to be part of Canada Post.

Let us look at the record. As we speak today there are over 100,000 grievances at Canada Post and there are not even 100,000 employees at Canada Post. This means there are more grievances than the number of people working at the postal corporation. Anyone who knows anything about labour-management relations would indicate that this is probably the best barometer of harmonious things within a particular corporation, the number of outstanding grievances. This record is almost unbelievable.

As a matter of fact if we do the calculation it works out to almost two grievances for every employee. It is ridiculous, to say the least. For the minister responsible for the post office to assume that offering a 10 per cent share of the company—and recognizing that they are non-voting shares—would somehow make the atmosphere of resentment disappear is absolute and total folly.

• (1115)

We need only look at the most recent postal strike as a good example. Although CUPW publicly made a commitment to ensure that government cheques would be gladly delivered by its members during the work stoppage, Canada Post refused to ensure that CUPW would not score popularity points. Instead, as we all remember, seniors and the disabled were forced to stand outside for hours at postal distribution outlets to get their cheques.

On many occasions the people who had been forced to wait found out that their cheques were not in and that they would have to come back the next day to stand and wait in line.

We also remember the hiring of scab labour, the helicopter drop-offs and paying non-unionized Canada Post employees room, board and travel expenses to replace the unionized staff all over the country which marked the strike last time. It was one of the most hideous periods in Canadian labour-management history many of us can recall.

As a result, to suggest that Bill C-73 will somehow mysteriously improve this very bad atmosphere in employee-management relations again indicates the government has no idea how to manage the post office properly.

I want to make a couple of points about how much faith we can put in the postal corporation and what it says. I go back to October 1991 when Parliament was considering back-to-work legislation to end the postal strike. Canada Post and CUPW came before the House of Commons committee and met with the Minister of Labour to report on outstanding issues. Canada Post said there were only eight or nine outstanding issues and that if CUPW withdrew its other demands they would come to an agreement quickly.

CUPW did this and the House of Commons passed the back-to-work legislation quickly. We will recall that to help speed up the bargaining process CUPW called its workers off the picket line before the legislation was actually passed. CUPW had been promised, and this was the understanding of the Minister of Labour, that the wage settlement would stand and the remaining seven to nine issues would be dealt with by an arbitrator. Canada Post agreed to have an arbitrator pick up where the two sides had left off in negotiation.

After the legislation was passed Canada Post withdrew all offers and said that it was up to the arbitrator to figure out just where the two sides had left off. It was not until July 1992 that an agreement was finally reached. This agreement was found during private meetings between CPC and CUPW without the arbitrator. This suggests that if the Canada Post Corporation had been serious about reaching an agreement there would have been an agreement much earlier.

Operating in bad faith as the postal corporation did on that particular issue makes a lot of employees and Canadians generally rather doubtful about simply accepting its word when it says what this legislation is all about.

In terms of service to Canadians we do not have to elaborate on that at all. We can look at past practices that have been brought to the attention of the House of Commons: Canada Post using American fuel for its trucks and in some cases U.S. mail services in terms of fulfilling its operations, supermailboxes frozen up in the winter, postal closures, and rate increases. All these matters do not assist in any way to make employees at Canada Post proud of the company they happen to be working for.

In some parts of Canada this past winter the weather has been extremely harsh. We have seen how ineffective these supermailboxes have been and the problems encountered in terms of people not being able to collect their mail.

The most obvious indicator of where we are going in terms of Canada Post has been the tremendous amount of closures across Canada. I can speak with some experience on this matter. I think of one community in my constituency called Westwold in which there was a very dynamic post office. It was really the community centre. The government decided to close it down and did not replace it with anything. Now the people in that small community have to drive many kilometres to obtain regular mail service. There was a furore. The case was made that the government ought not to simply close down this post office. A facility was opened eventually in the Canadian Legion. The Canadian Legion is a wonderful institution. I happen to be a member of it myself. However I do not think it is really the proper place for a postal outlet but that is the reality of it. In this community it is the Canadian Legion that provides some kind of limited service postal outlet for people to pick up their mail.

• (1120)

That is not what Canada is all about. That is not what the postal corporation of Canada is supposed to do. That is not the kind of important Canadian symbolism that is

needed across the country. Again, with over 1,200 post offices closed and as we speak another 145 under review for closure, it is safe to say that there is not a single post office in Canada that is safe in the future, safe meaning being kept open for public use.

Finally, if the government and Canada Post really wish to create an atmosphere of good will with the postal workers, there is a very simple place to start and that is to bargain in good faith with CUPW, PSAC and CUPE members. July 1992 marked three years that postal workers were without a collective agreement. It is not for lack of trying on their part because we all know of the many efforts made by the unions involved in trying to come to a successful collective agreement. But alas, the hesitancy of the postal corporation simply made this virtually impossible.

Throughout the 1980s and into the 1990s the government has been pushing Canada Post to make service to Canadians a secondary consideration. If Canada Post could make service its number one goal, certainly there would be much less friction in the setting of goals and working with the postal workers themselves.

In conclusion, I appreciate having an opportunity to say a few words regarding Bill C–73 but I think the government's intent is misdirected. The government is misleading both the employees of Canada Post and Canadians generally if it feels this is going to make any difference in creating more harmonious relations between the workers and management within the post office.

As I said at the outset, there are good reasons why Parliament ought not to consider legislation of this type. When you consider all of the other challenges facing Canada, when you consider all of the other work that must be done in improving the employment opportunities for Canadians from coast to coast to coast, surely wasting time on this type of very misdirected and rather deceiving initiative is inappropriate and a waste of the time of the House of Commons. I think our time would be much better spent in finding ways and means of getting those 1.6 million Canadians who are jobless today back to work in a meaningful way.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C–73.

Members of this House will know that my colleagues in the Liberal Party and I have fought this bill relentlessly. Yesterday approximately two dozen Liberal MPs spoke against it at report stage in an effort to convince the government across the way that the bill should be withdrawn. It should be withdrawn for two reasons.

First of all, the bill itself does not accomplish what the government pretends it is going to accomplish. I will get into that in a minute.

Second, what is wrong is that there are a number of post office issues that the House should be addressing, if that is what the government thinks is the most important thing on the agenda, but this is not one of the issues that is important to the Canadian public.

I will give an example of an issue that is important. For instance, there is a bill on the Order Paper of the House of Commons at the present time. It just happens to be under my name. I want to indicate that this bill would be to establish a postal services review committee, a watch–dog over Canada Post, the same kind of watch–dog that presently exists in the United States and in other jurisdictions. It would supervise that particular agency, review rate increases on behalf of the Canadian public, ensure that there is no cross–subsidization of rates between monopoly rates and rates that compete with the private sector. Why are we not dealing with an issue like that? It was the government in the Marchment committee recommendations of 1985 that decided to go ahead with the postal services review committee. Then it was abandoned.

• (1125)

[*Translation*]

But why, Mr. Speaker? We still do not know, but some of us think that the government set up such a committee several years ago and that the committee's first report gave the government news that the minister did not want to hear.

If the messenger brings bad news, you know what happens to the messenger, he is eliminated. That is what the government did to this postal services review com-

mittee. My colleagues and I would like to take the time in this House to pass this kind of bill, but it is impossible to make the Conservatives opposite listen to reason.

[*English*]

We could be talking about other issues involving Canada Post. For example, there is ample evidence of cross-subsidization of rates. Let me explain briefly what it all means.

Approximately one year ago, someone leaked to me a letter Canada Post was sending to some of its corporate customers. It went roughly as follows: "Fill up your postal machine today". You know those machines that issue printed postage stamps. I guess it is usual to call them Pitney Bowes machines although I am sure other companies make them too. "Fill your postage machines and get a rebate on priority post courier".

I said that there is something wrong with that. The postage machine is first class mail regulated mail and the price is regulated. The government adopts regulations once a year. It is a monopoly. There is no competition. At the present time Canada Post is offering a discount for people who use priority courier, and priority courier is a competitive business. It competes with Purolator, UPS and everybody else. The post office operates it using subsidized money after filling the postage machines which is first class mail. Surely there is something wrong with taking money gained through a monopoly to subsidize that part of the business that works in a competitive environment.

How much of the money we pay for postage stamps as Canadian consumers goes to cross-subsidize those endeavours of Canada Post which have nothing to do with the monopoly that Canada Post enjoys? Am I paying one cent too much for stamps, two cents, five cents? I do not know. Canada Post will not even let us have a look at the books.

Once a year Canada Post publishes an annual report and that report at best is questionable. It does not refer to many things, such as the unfunded liabilities of the corporation. Canada Post produces the report and tells us what it is doing. It is tabled in the House of Commons. The opposition criticizes it for a day or two and the government says it will weather the storm and it will disappear.

Maybe that works for the government but it does not make for good postal service for Canadians. We need the kind of agency that I am advocating to review applications by Canada Post just as the CRTC reviews increases applied for by the cable operators because they operate a monopoly, or Bell telephone or whoever else applies because they too operate a monopoly on some of the products and services that they sell but not in others. It is a constant battle for companies like Bell to sort out those things which are a monopoly and those things which are not.

That is one thing we could be doing with the time of this House in terms of improving postal services. There are several others. I will give just a flavour of some of these.

Some years ago, Canada Post applied for what has been commonly referred to as the revocation of regulations. It works something like this. Canada Post was previously subjected to regulatory approval from the government through gazetting each year of a new rate for a number of the services it provides. Once a year, apart from approving the first class mail rate, cabinet would approve a number of other things.

• (1130)

A few years ago Canada Post applied for and convinced the government, I do not know how, to exempt Canada Post from future approval of those regulations. What happens? Now such things as certified mail, electronic mail, Envoypost, Telepost, Intelpost, money orders, aerograms, mail to and from the Canadian Armed Forces outside Canada, domestic counter parcels and other items including Christmas greeting cards are no longer subject to those regulations. Why? Because Canada Post did not want the heat of once a year having them included in the *Canada Gazette*. Now it just increases the rate when nobody is looking and no one can criticize it. The only forum we have is to raise these matters in the House of Commons when we do find out that it is doing something which we do not like or that our constituents do not like.

That is not the right way of doing it. Canada Post should apply, get the process approved, get the rates approved and then live with whatever is approved or whatever is refused. After all, if Canada Post says it can operate in a quasi-private sector type of environment, surely it can be subjected to a regulatory system similar to that which is imposed on Bell, which is imposed on the

cable television operators and several others. But no, Canada Post wants to have its cake and eat it too and the minister says that is fine.

The minister's solution to making Canada Post more popular is to sell 10 per cent of the shares to the employees. Here is how this is going to work.

First, it is my belief this is the thin edge of the wedge in privatization. Remember when the government originally started to sell shares of Air Canada? It was only going to sell a certain percentage, and then a greater percentage and so on. For those who say this is not the thin edge of the wedge, nonsense, it is.

Second, the way Canada Post is going about this leaves something to be desired, even if one was in favour of the selling of the shares. I indicated a while ago that Canada Post is not a company like others in the sense that the books are not visible, at least not in the way they should be to most of us. We cannot find out much about how Canada Post operates save and except the very general information given in the annual report. My colleague from Carleton—Gloucester says it lacks transparency. Very well put and I congratulate him for that.

Either Canada Post or the minister wants to have these non-voting shares that can only be sold to employees. They are automatically redeemed when an employee leaves the corporation, they cannot be sold to anyone else and because Canada Post does not pay income tax presumably the dividend tax credit will not apply. It will not pay dividends, it will pay a fixed rate of interest.

Mr. Speaker, I am sure you have guessed that already. The only thing the minister wants to do is find a way to get the employees to lend money to Canada Post.

The government provided Canada Post with a line of credit some years ago which appears in the government's estimates. Canada Post has only used a small portion of that line of credit and it is still there so it can borrow if it has a shortage of funds. It can also borrow elsewhere if that is the difficulty. If Canada Post has further difficulty you wonder why it is building a new Taj Mahal in Ottawa for its headquarters. Its present headquarters seems fancy enough as far as I am concerned.

• (1135)

Anyway, I guess it needs that money, or it says it needs that money, and it wants the employees to participate in the share offering.

The other problem is that the bill is wrong in that it does not provide any specifics on the nature of the share offering. There is no value for Canada Post Corporation at the present time. There is no value for the shares. No number of shares or anything like that is indicated in the bill. These things are left to the minister to designate by regulation some time later.

Show me, I am from Glengarry. I want to know. I want to know what the government is up to. Why can the government not tell us now what it intends to offer? If it has not made up its mind, then what is the rush for the bill? I have difficulty understanding that.

Apparently the Minister of Finance, the minister responsible for Canada Post and the Treasury Board have to get together to iron out these things. If they have not ironed them out, why are we doing this now?

The minister says that this proposal will assist in employer-employee relations. The union does not want it. How is it going to assist in relations with the union if the union does not want it? Canada Post is doing it anyway, and the stated purpose is to assist in those relations.

The minister says that this is not privatization. If the government is selling the shares to a private individual then it has by definition privatized at least those shares that it has just sold. Otherwise, it would not be selling them, would it?

I also have a little problem with management giveaways. Canada Post offers huge bonuses to some of its people in the upper echelon. In some cases, $50,000 or $75,000 a year is given in bonuses on top of the salaries that some of these people get. There is nothing in the bill that prevents the minister from issuing some of those shares as rewards to the upper management of Canada Post.

In other words, they can be disguised bonuses for the people at the top of Canada Post. There is nothing that precludes that. I asked that question of the minister at a briefing session that I had in his own office. He had a

separate briefing session for the press which the minister specifically said I could not attend. That is the transparency of the minister responsible—or should I say irresponsible—across the way.

We know that presently Canada Post has boxes at the domed stadium in Toronto. The president, Mr. Landers, admitted to me that it buys memberships in fancy golf courses for some of the upper echelon people at Canada Post. He admitted that to me in committee.

An hon. member: That is for motivation.

Mr. Boudria: Very motivating, but Canadians do not want that.

What Canadians want is for Canada Post, and this may sound original, to deliver the mail. I know that is a far-reaching concept. It is absolutely wild for Canada Post to want to deliver the mail. As far as I remember, that is what it is there for. That is what it is supposed to do.

Canada Post is already trying to look like a private corporation. Why is it ashamed of being a corporation of the Government of Canada? I do not know. I have often argued this point with it. Maybe the government across the way does not want Canada Post to look like a corporation of the Government of Canada.

The act is quite clear. Canada Post must remain a corporation of the Government of Canada and it must have a corporate logo that identifies it that way. What did this government do a couple of years ago? It gave a new logo to Canada Post. It removed the coat of arms. It removed the flag of Canada and replaced it with a very Canadian object to symbolize this great country, a pigeon wing. Yes, that makes all of us feel patriotic, a pigeon wing.

• (1140)

The Canada Post Corporation Act describes its mandate. Listen to this. Portion (e) refers to what the corporation is supposed to be structured like. It talks of Canada Post and identified:

> the need to maintain a corporate identity program approved by the Governor in Council—

That is the first criteria. Cabinet must approve its corporate identity. It continues:

> —that reflects the role of the corporation as an institution of the Government of Canada.

It used to say Poste Canada Post. It was the pride of Canada, with a coat of arms and the flag of Canada on the post office. That is what it was like and that is what the act says it is supposed to look like.

What does it look like now? First of all, no Order in Council has ever been issued to change the corporate logo. It changed it anyway. It removed the word "Canada". It removed the Canadian flag and now it says "Mail/Poste" with a pigeon wing. It is closing down rural post offices across Canada.

That is not what it is supposed to look like.

[*Translation*]

Canadians all over the country are angry. I give the example of the residents of Saint-Clément de Rivière-du-Loup. I went to Saint-Clément de Rivière-du-Loup. I see the member for the neighbouring riding here, and there too post offices are being closed. She knows that the people of Saint-Clément just wanted to keep their post office. Canada Post owns the building. I went there and even had a very good meal. I must say that it was very good and I congratulate the people who prepared lunch the day I went there. I gave a press conference on location.

The people want to keep their post office. They just want Canada Post to hire someone else. What is wrong with that? It is not a dying community. It is not a ghost town with no more customers and another post office a mile away. There are no post offices nearby, but there was one in Saint-Clément de Rivière-du-Loup. Why not keep that post office open? No, Canada Post, under its corporate plan approved by the government opposite, closed the post office in Saint-Clément de Rivière-du-Loup, like others elsewhere in Canada, including my riding of Glengarry—Prescott—Russell.

[*English*]

We are debating the wrong bill this morning. The bill we are debating is in itself wrong because it does not do what the government says it should be doing. That too is wrong.

I ask the government to withdraw this bill and let us get on with things that make more sense. If the government wants to talk about Canada Post this morning I have a good idea. Let us talk about Bill C-217. Let us create that structure to supervise the post office rather than letting it run around like a pigeon with its head cut off.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, in dealing with the bill before us today, the proposed government changes to the Canada Post Corporation, I could not help but let my mind drift back to a session in this House a number of years ago when Canada Post Corporation was first created out of the mess that was the post office department before that time.

If we cast our minds back to 1977 and 1978 there was one industrial dispute after another that took place within the Canadian post office, one strike after another. The grievances had piled up—there were 50,000 or 100,000—and everybody, labour, management, public, and government, recognized that something had to be done.

• (1145)

While it pains me to say something exceedingly positive about a former government formed by a party of which I am not a member, one of the things that the late Bryce Mackasey and his colleagues in government did, after a lot of urging from the public, the New Democratic Party, organized labour and others concerned with creating an efficient and competent post office in Canada, was to enact the Canada Post Corporation Act. In doing so they made a number of important changes and also introduced some mechanisms, such as having representatives of employees—although appointed indirectly, which I think is the correct route to go in any case—from the labour movement and from employees within the post office.

At that time Robert McGarry, who was the president of the Letter Carrier's Union, and Ron Lang from the Canadian Labour Congress became two board members of the Canada Post Corporation. The first president of that corporation, Michael Warren, also introduced a new day, a new efficiency and a new spirit of co-operation into the postal system in Canada.

Mr. Warren was pretty smooth. Some people were a little suspicious of him because he was perhaps a little too smooth in their perception. He was competent. He took the public into his confidence. He took key people within the labour movement into his confidence and he dealt closely and on a regular basis with members of Parliament who were interested in the Canada Post Corporation from all parties. He, that board of directors, and that new Crown corporation did wonders in turning what was portrayed as one of the worst messes in Canada into a relatively efficient and competent corporation.

In the early 1980s I was postal critic for my party and I can remember enjoying the fact that I had something good to say about something that was happening with government and with public administration in Canada. As I mentioned earlier, there were 50,000 or 100,000 grievances sitting around stewing and poisoning the whole labour-management situation within Canada Post and across the country. Within a period of about two years that pile of unresolved grievances had been reduced to virtually nil. We went for a number of years without a single major industrial dispute. Deliveries that used to take two weeks from coast to coast now were delivered in a two-day period, deliveries from Vancouver to Toronto or Ottawa to Vancouver. Sometimes a delivery from Ottawa to Vancouver up to the interior of British Columbia only takes two days.

It did not always happen but that became the standard, and it was by and large met. Despite the proclivity of many Canadians, because we love to knock the post office as do people all over the world, a grudging admiration began to develop among the public out there and among people of all parties. They began to say that government could do something right.

Then this government with its agenda of privatization and a real wrecking crew went to work, destabilized the corporation, got into a real slanging match via a new president of the corporation, and I suspect the government, with the labour representatives on the corporation's board of directors. It found an excuse to knock them off, first of all by depriving them of information necessary in order to perform their function as directors of that corporation. When one of them engaged in legal action in order to get information to which he was entitled as a member of that board of directors, the government used that excuse to remove them from the board of the corporation.

• (1150)

We have come full circle to having about 100,000 grievances, undue amounts of time for mail delivery, privatization and closures in almost every rural area of Canada, and a general poisonous atmosphere once again within that corporation, particularly since the labour bashing and employee bashing tactics of the present Crown corporation and the government in the last few years. They were hiring what the government likes to call replacement workers and which most people who work

for a living call scabs on a mass basis, bargaining in bad faith with the unions representing Canada Post employees, and generally taking an axe to it.

Now the government has the unmitigated gall to come before the House and the country to say that it will offer shares to its employees and that will patch up everything. That is a crock. If the government were seriously interested in improving employer–employee relations, improving efficiency and restoring what once was the good name of postal delivery in Canada, it would do a number of things.

First, it ought to reinvite employees to have at least an advisory role in the setting of policy within the Canada Post Corporation. It ought to open up those two positions on the board. That is not going to dominate anything. Instead of keeping those members once appointed in the dark it ought to ensure they have the information as do other members of the board to do their jobs.

The government ought to insist the president of the corporation do what a former president of that corporation did: open himself up to the public, to members of Parliament from all parties and to representatives to discuss openly and frankly the problems that beset the corporation and the whole problem with postal delivery in Canada.

I wish I had a little more faith that the self-defined pit-bull terrier, the government House leader and minister responsible for Canada Post Corporation, was really interested in doing what he says he wants to do to improve relations within the corporation. I can still be convinced, but he has to show some good faith in opening up the process again for people who work within the corporation to have some say and some meaningful input in the processes that take place.

I have 15 municipalities and a multitude of post offices within the rural hinterland area of Kootenay West—Revelstoke. In the last few years we have had closure after closure, privatization after privatization. We have had the ending of rural route delivery in a number of areas. It has been replaced by green boxes. There has been one local disaster after another.

My colleague, the New Democratic Party House leader, the member for Kamloops, mentioned a little while ago in the House a number of the services local post offices perform in their communities. One important service is security for the citizens of a rural area. If postmasters or postmistresses know the people in their community as rural postmasters and postmistresses do and a senior citizen does not show up for a couple of days, they ask their neighbours where so-and-so is and whether anyone has checked on him or her lately. They may find out a single person living at home has had an accident.

• (1155)

That is one of the very human functions a small local post office performs in a community, especially in rural communities in a number of areas of Canada that suffer from a lack of policing and a lack of security. It is important to have hands on, to know everybody, to know what is happening in the area and to have the contact everybody comes into communication with on a regular basis. It is something very hard to replace. It is one of those human things I would ask the government to understand we risk losing. It is one of the strong links between government and people in rural Canada which is being destroyed by closing down rural services.

There are many other hardships on senior citizens as a result of the elimination of rural route delivery and its replacement with green boxes which they cannot get into in the wintertime. They have to bring their own snow shovels to gain access to them. They cannot open the locks of the boxes because they are frozen. They cannot even get the Canada Post Corporation to install small devices to protect the keyholes in the green boxes from snow and ice. They shovel their way to their boxes and cannot get at the mail anyway. The postal corporation says it is up to consumers to provide protection for the locks on their boxes. Is it any wonder there is disdain for the government in this country when it has that kind of attitude?

The government wants to show a financial return on Canada Post. The member for Kamloops, my House leader, referred briefly to some areas a little while ago but there are many areas in which we could provide more services and increased revenue to the Canada Post Corporation which in turn could provide again a re-

newed, efficient and community oriented postal system throughout Canada.

One area is electronic banking facilities in many small rural communities throughout Canada. The British post office was consistently in the black for years and years because it operated a banking service throughout the United Kingdom. In the last 10 years literally hundreds of small rural communities across Canada have seen local banks close down. They have been left with no local financial institutions. Sometimes there is a credit union, but there are no agencies of the major chartered banks in hundreds and hundreds of small Canadian communities.

But we do have post offices, or we used to, and there is no reason in this electronic age we could not have good electronic exchanges and basic consumer banking services in many of those areas, turn a profit and provide important community services at the same time. The private sector has abandoned those communities. Why can we not use an agency like the Canada Post Corporation to provide again those basic essential services to rural Canada?

We had a pilot project a number of years ago in the Canada Post Corporation involving Peterborough and two other communities in Canada to introduce catalogue shopping. Now that Eaton's disappeared from the catalogue shopping business a number of years ago, and now that the Sears catalogue is going to be no more, what could be better than to take another look at the results of that study? We could perhaps conduct one or two other pilot projects to provide many areas in rural Canada with an opportunity through the Canada Post Corporation that is already supposedly in the delivery business anyway to have catalogues available. They could be produced by that corporation or perhaps by a private company in concert with the Canada Post Corporation so that rural Canadians could once again avail themselves of those services. They would not have to send out catalogues through the mail. They could be available at local post offices.

• (1200)

I urge this government or the next government to take another look at the results of the surveys. We spent two years on pilot projects. Perhaps it could embark on another whole area that could provide an important commercial and public service to Canadians abandoned by the private sector through the Canada Post Corporation and reinstall some employment and some services in rural Canada.

I take the opportunity very briefly to congratulate and thank those hundreds and thousands of ordinary Canadians, many from rural Canada, who have been involved in the whole Rural Dignity movement. They have been active on a number of fronts but particularly in their campaign to save postal service and community service in rural Canada. They have done yeoman service.

Whether it is in small communities in the Kootenays, the lower mainland of British Columbia, the north coast, in Atlantic Canada or on the prairies, these people have been active in presenting briefs and sending delegations to Ottawa and across the country at great cost to themselves. They have been demonstrating to save local post offices and have been outlining dozens of alternatives for remunerative services the Canada Post Corporation could provide to Canadians. It could work in the black, earn a profit and put government service back into the good books of a lot of people across Canada.

In looking at the proposal of the government, the bill will make 10 per cent of Canada Post's non-voting shares available for purchase by Canada Post employees on a voluntary basis. The minister, the self-defined pit-bull terrier, claims that this bill will help to eliminate the labour-management tension that currently exists at Canada Post.

Finally, I want to reinforce what I began by saying. If this government or any government wants to restore some feeling of good will among Canadians about the whole idea of government, if it wants to provide an efficient postal service, if it wants to truly establish good employer-employee relations within the corporation or within that service, it ought to open up the board to people from other walks of life, particularly those who work within the post office.

Owning shares that do not even have a vote at shareholders' meetings does absolutely nothing. What they need is input. It needs to open the channels of communication, look at some fresh ideas, perhaps regurgitate some ideas that used to work, and put the whole idea of postal service and government service back into a positive framework that will appeal to Canadians. Then

they can say that government is doing something right. Government used to do it. Let us do it again.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have the opportunity to speak on this Bill C-73.

I go back to an experience I had in 1985 and 1986. I worked with a gentleman who I think was one of the most exciting entrepreneurs in Canada, a gentleman by the name of Frank Stronach who runs a company called Magna International. Magna is the most diversified auto parts manufacturing company in Canada. Eighty-five per cent of its sales are exports. The company competes against the Germans and the Japanese. It does very well. The principle behind Magna is its unique corporate culture. Central to that culture is the fact that all employees are shareholders in the corporation.

• (1205)

When I first heard of this bill coming before the House of Commons, I was intrigued. In fact, I initially thought that it was an example of the post office heading in the right direction. However, the closer I got to the bill, the more I read and the more I investigated, the more I realized that this is nowhere near the Magna principle of equity participation and profit sharing for employees. That is why I am opposed to it.

I have said in previous readings on this bill that the concept of equity participation of employees is a principle that I endorse but there has to be a framework. It all has to hang together. There has to be a set of rules and regulations that the directors and management of the company have to follow in order for that arrangement to work properly.

I would like to go back to Magna and take a few minutes to read from its corporate constitution. I will show how its program for equity and profit for employees is different from this particular bill. I believe that difference is why this particular bill will not be of benefit to the employees and is not a good thing to proceed with.

First of all, when the Magna corporation put its constitution and culture together, it made sure that it all fit. One cannot just talk about 10 per cent equity or profit sharing for employees without talking about principles that the rest of management has to adhere to. One cannot just talk about it. One has to put it down in black and white. It has to be there in a form in which everyone in the corporation is totally accountable.

Let me just take two minutes to read the Magna corporate constitution. Under board of directors, Magna believes that outside directors provide independent counsel and discipline. A majority of Magna's board of directors will be outsiders.

Under employee equity and profit participation, 10 per cent of Magna's profit before tax will be allocated to employees. These funds will be used for the purchase of Magna shares in trust for employees and for cash distribution to employees in recognizing both performance and length of service. This is a situation where it is not the employees buying the shares. It is that 10 per cent of Magna's profit before tax is to be allocated to buy the shares for the employees.

Under shareholder profit participation, Magna will distribute on average 20 per cent of its annual net profit to its shareholders.

Under management profit position, in order to obtain a long-term contractual commitment for management, the company provides a compensation arrangement which, in addition to a base salary comparable to industry standards, allows for the distribution to corporate management of up to 6 per cent of Magna's profit before tax.

Another key component of this constitution is research and technology development. Magna will allocate 7 per cent of its profit before tax for research and technology development to the long-term viability of the company.

• (1210)

Under social responsibility, the company will contribute a maximum of 2 per cent of its profit before tax to charitable, cultural, educational and political institutions to support the basic fabric of society.

Under minimum profit performance, management has an obligation to produce a profit. If Magna does not generate a minimum after-tax profit of 4 per cent on share capital for two consecutive years, class A shareholders voting as a class will have the right to elect additional directors.

Under major investments, in the event that more than 20 per cent of Magna's equity is to be committed to a new, unrelated business, class A and class B shareholders will have the right to approve such an investment with each class voting separately.

Finally, any change to Magna's corporate constitution will require the approval of class A and class B shareholders with each voting separately.

The reason that I took the time to go through every aspect of this corporate constitution is because this bill only deals with one facet of the Canada Post corporate culture. Unless the equity participation program is tied in to the whole philosophy of the post office, then there is absolutely no protection for those people who are buying those shares. There is absolutely no accountability.

This idea, which more and more companies are getting into, is a good idea. It will only work when one considers all aspects of the corporation. One of the members said here earlier that when one deals with a company like Canada Post that in the last few years has shown so little sensitivity in terms of its contribution to the fabric of this country as a whole, then if anything, it is like Canada Post has worked at diminishing the trust factor rather than improving it.

We all know that for many years the Canada postal service was not only a service in terms of the small, rural communities of our country but it was also a symbol of the federal presence. It was one of those instruments of public policy that we used to galvanize and pull this country together.

I can remember 1980 when we would make sure, especially during the referendum, that the presence of the postal service in the province of Quebec was refurbished and rebuilt. We made sure that the flags and the wordmark that became the symbol of the national government were brought up to speed to remind people in the community of the services that this government provides to its citizenry.

I have noticed only in the last few years that on the issue of federal presence—it does not matter what province or community—we have run away from it. First we stripped it of the coat of arms. Now we are stripping it of the Canada wordmark.

In my own riding the two operating post offices, stations A and G, provided services not only for small business people but also for senior citizens. There was staff morale at these centres. These stations were part of the fabric of the community. Now they are closed.

I believe that the postal management has forgotten that one of the key ingredients for having a successful corporation is high morale and a positive spirit. I think the actions that they have undertaken in the last few years are working against that spirit. I cannot quite figure out where management is coming from because the principle behind equity—having your employees own a piece of the company and of the action—is to create a better product and better service at a more competitive price and at a higher level of efficiency.

• (1215)

It seems to me that this is being done in a disjointed way. Assume that this particular bill was to indicate to the current employees of the post office that the shares were not to be bought from their own pockets but, as Magna did, 10 per cent of the shares were to be allocated and distributed to all employees of the post office out of profits. Then there might be a chance of turning the spirit of this postal organization around.

It is human nature that if people are treated fairly, then obviously the productivity levels improve. Here is an opportunity where the postal service has really missed the boat.

I support the position that this will in no way, shape or form enhance the postal service of this country. It will not enhance the spirit or the environment of the people who work in the post office. I take that from all levels, from management to people who work on the line.

I do not think this is a good formula and I would encourage the government to go back to the drawing board. It should take what is basically a good principle and put it in a form where there is accountability. This is not tied together in a comprehensive way.

It should go back to the drawing-board and look at some other successful corporations in this country like Magna, which has been doing very well in the middle of this depression. Its earnings-per-share ratio is topping the charts. Its profits are at record levels. The chief executive officer of that company credits that high level of productivity and morale to the fact that there are close to 17,000 shareholders in the Magna corporation. They

know that at the end of the year 10 per cent of that pre-tax profit that will go toward buying shares for distribution among the employees.

This allows a company to make a better product at a better price. Magna is now as competitive as the Germans and the Japanese. This is the kind of comprehensive approach that we need for the basic idea of equity participation and profit sharing for employees. It is a totally above the board approach where everything is in the open. Management is as accountable as the employee. It is not something like this which is only a partial measure.

[*Translation*]

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, to begin I would like to congratulate my friend and colleague from Broadview—Greenwood on his speech today.

I would like to mention today that Canada Post intends to close at least 5,000 rural post offices across Canada. The member for Broadview—Greenwood spoke well today about the federal presence in rural communities and I would like to commend him for that. I know that he lives in Toronto and people there tend to lose sight of a country from coast to coast with rural communities. But I know my colleague and he knows Canada. I can also assure my constituents that he knows the situation throughout the country.

• (1220)

I would like to ask the member to give us his opinion on Canada Post's decision to close rural post offices. I know that in my riding of Restigouche—Chaleur, the closure of a post office in Pointe-Verte has just been announced. Mayor Maxime Lejeune and his council oppose this closing; the citizens and I oppose it.

The member spoke about a federal presence in the communities. Could he perhaps comment for us on these policies of Canada Post?

[*English*]

Mr. Mills: Mr. Speaker, I thank my colleague for the question.

One of our members in the House spoke earlier about some ideas that could be introduced into the postal service. He mentioned banking services and I think that is a good idea.

The problem we have is this government. By the way, it does not matter who the next leader of the party is, it can be the member from Vancouver or the member from Quebec. Essentially what we have on that side of the House is a philosophy that it retreats from national government. It has been the greatest retreat from national governance in the history of our country. If it looks at something and it is not showing an instant viability it cuts it, trashes it and just gets rid of it.

I cannot understand the problem that most business people have. I know there are a few people over there that have business experience, but they obviously do not have any influence on this cabinet. In business when your viability is in jeopardy, creativity comes into the boardroom, into the plant or into all facets of the business. The idea is to say that if we are losing sales and we are not viable, how are we going to diversify? How are we going to get more product into the pipe to make the enterprise more viable so we can keep it alive, so we can keep our people employed?

Government has an added responsibility. It is not just that we have to be concerned with fiscal responsibility and with taxpayers' money, we in governance have to make sure that those regions of our country that do not have the critical mass in terms of population have the same national standards as a person does in a richer centre.

That is part of what being Canadian is all about, having national standards or national services. It does not matter what part of the country you are from, whether you are from a disadvantaged region, rural Canada or downtown Toronto. This government has totally missed the boat on that particular feeling or attitude in the country as a whole.

I see the Minister of Supply and Services here. I know in his department of government there is a lot of good creative Public Service talent. Why could we not take some of these rural post offices and make them centres where we would not only supply some of these banking machines but make them centres where small businesses could come in and maybe bid on government contracts?

They could be mini centres where you would have total government service. With the computer technology that we have today you could make these institutions more than just post offices. They could be agents to supply support for getting passports. They could be instruments that could quite frankly take a lot of pressure off MPs' offices and give a more comprehensive service and therefore be viable.

• (1225)

I think that is the type of approach the post office should be taking. Aside from its primary responsibility of delivering the mail, I have always believed philosophically that one of the most important contributions that the postal service of Canada contributed was its federal presence. This government and these members have been trashing the federal presence for the last 10 years and they are going to pay in the next election.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I would like to pose an idea to the member for Broadview—Greenwood and invite some comment and perhaps an answer. Part of my comment is really a question.

In my view one of the problems we have had in the Canada Post Corporation in the last while is that the systems analysts and the engineers have taken over. Given the lack of meaningful input from employees or people who work closely with the corporation, particularly in rural Canada but in all ground floor operations in communities across the country, everything has been done to make the corporation fit some self-designed system rather than designing the corporation and procedures within the corporation to fit the needs of the community.

I want to give a couple of examples. The hon. member may not be familiar with my constituency of Kootenay West—Revelstoke, coming from Toronto. To mail a letter from Slocan to New Denver, which is 20 miles away, the letter gets shipped across three valleys, two mountain ranges, a couple of hundred miles to the west to get sorted. In order to come back it returns over the three valleys, two mountain ranges and across a couple of ferries or through an airport where often the planes do not land because of the weather. It takes a week to get 20 miles to another community.

That has been done in order to fit the system that some flaky systems analyst or engineer who is completely out of touch with reality has designed. That sort of thing just does not make sense. If those in responsible positions within the corporation had some continuing dialogue with people who actually experience real life in those kinds of communities, whether through a central agency or some other way—we can work out the mechanism later—maybe they would avoid this kind of bureaucratic nightmare.

Another example is having mail that comes from Nelson go to Vancouver to get sorted—

The Acting Speaker (Mr. DeBlois): I am sorry, but time is running out and we just have time for a short answer.

Mr. Mills: Mr. Speaker, I want to go back to my Magna experience. Do you know, minister, it was quite an interesting two years. It would be a good place to consider after the next election. It is creative, it is positive.

The thing which amazed me about Stronach was that when he would inspect plants, he would inspect the garbage cans because that is where you could tell the morale of the troops. If there was waste of raw materials in the garbage cans you knew that the plant was not functioning. In other words, there are too many MBAs today. I have nothing against MBAs, but the unique thing about Magna was that the toolmakers were running the company. They had a couple of token MBAs trying to look after the books, a couple of accountants, but Stronach had this view, this vision, this feeling and it is working out very well.

I really think it is a model that we have to look at. I never agreed with all of Frank's ideas. Some of them were a little far out. The point is that if you have respect for the person who is working on the shop floor, and if you listen to that person, that is where the real creative energy flows. That is how you make better product and provide better service at a competitive price.

There are too many leaders and too many corporations in this country that are like the post office. I say this with respect to the post office, I think it is lacking in that area too. I think it is time to review it and go back to the shop floor and therein will be hope for all of us.

• (1230)

[*Translation*]

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I admit I have mixed feelings about taking part in today's debate. Of course I support my colleagues who are against this bill for a number of reasons. First of all, the bill proposes to sell 10 per cent of the shares to employees without giving them voting rights as shareholders. The tax credit is an excellent proposal, but the bill does not provide for direct participation by employees in the management and operations of Canada Post.

The idea is admirable. We must admit that. However, I would like to share a somewhat personal example with my colleagues in this House, having been actively involved when the employees of Spruce Falls Power & Paper Co. Limited in Kapuskasing, in my riding, acquired a majority interest in their company. For them it was a very significant development, because from that moment on they were in control of their own future and participated directly in the company's management decisions. Their attitude changed dramatically. They took a great deal more pride in their work, absenteeism went down and finally they had a sense of belonging and at the end of the day, when they retired, they would have something very tangible and worthwhile to call their own.

That is not what Bill C–73 does. If the government had intended to at least give these new shareholders voting rights, I would have supported the bill from the word go. Unfortunately that is not the case. And add to that the unsavoury developments of the past 10 years during which we saw a Crown corporation, which in the final analysis belongs to Canadians, gradually edge toward privatization.

There is a price to pay and it was paid by closing down many small post offices. Small, because they are located in Canada's rural areas. It is a very high price because in most cases the post office was the only place in the community that had a federal presence. It was probably the only building flying the Canadian flag.

During the debate around the referendum and the Charlottetown accord, we saw that Canadians still have this very strong desire to feel part of this Canadian community. Canada Post was one way to promote Canadian unity.

Those of my constituents who went to the post offices have now been closed—six were closed in my riding—felt very strongly about this presence. To them it was a sign that the federal government took them seriously, that they were important. It is something we tend to forget in our large urban centres, in Canada's largest cities, where because of the population density the federal presence is everywhere and all departments are represented.

• (1235)

In small rural post offices there was also the human factor. I have another experience I would like to share with you. My parents, and especially my mother, ran a post office in the small community of Opasatika for 37 years. I remember that when my mother died there were so many people at the funeral that our small church was full. I felt I had to mention my mother's contribution to this community. Every day she met people from the village who came to pick up their mail at the post office. She always had a friendly word for these people and that is why they liked her.

The post office was also a place to meet people, to talk and get the latest news, because we always had a bulletin board where people could put up whatever they wanted. My point is that the kind of personal contact we had before is now gradually disappearing.

We also had the supermailboxes that caused so many problems, especially in rural areas where in the winter snow removal is sometimes less than perfect. I need hardly mention the problems caused by these mailboxes when they are frozen shut. I think this is ample proof that the purpose of the bill is certainly not to improve operations, especially in rural areas.

Last year, another post office in my riding, the one in Moonbeam, was about to close. People rallied to this cause. They wanted to make sure their post office did not close, since the building as such was relatively new, in good condition and the quality of service provided was also very much appreciated by the people in Moonbeam.

We do not know what happened and probably never will, but believe it or not, we managed to keep this post office open. More power to Canada Post, which realized

that the post office was a very important part of the municipality. The question arises now why the same cannot be done for other small communities.

There are minor changes that can be made if Canada Post is losing money. It is not making a profit. And besides, we have to adjust, especially in these difficult times. No one will deny that adjustments and changes are necessary to save money but closing down a post office altogether, especially for the people who appreciate the service, is very difficult to accept. Since Canada Post is aware of this, one wonders why it is pursuing this policy of closing down rural post offices in Canada.

I have another example of service cutbacks. Last week, the post office in Kapuskasing announced that it would be open 16 hours less per week. The important thing is not the number of hours but the principle behind this decision. Let me explain.

• (1240)

First of all, there will be no more mail sorting on Saturday. As a result, on Monday morning letter carriers will have less mail to deliver since it will still be in the bags or on the tables. So one service is being cut. Instead of getting our mail on Monday, as we did for so many years, we will not get it until Tuesday.

Second, people were told that in all cases of address changes the mail would be rerouted to Ottawa. It is very hard to make sense of all this because it used to take one hour a day to do address changes, which meant that the mail was delivered the same day. Sending it to Ottawa means it will now take four days for the mail to come back.

What kind of service is this? What is this about paying $110 for a change of address? What about the fact that first-class mail, which normally should be delivered the same day, will now be delivered four days later? I think the reactions of business people are understandable since they feel they are paying quite enough for a service that is very important to them. Consider the reactions of these business people who in future will be more inclined to use the services of private mail courier companies across Canada. If Canada Post thought it could save money this way it was wrong. It was very wrong indeed.

In concluding, I would say that selling these shares to employees might be very beneficial since the same employees would certainly be more inclined to protect the interests of Canada Post. But that is not the case. The current trend is for employees to be far more involved in their company, whether it employs 1, 3, 5, 10 or even 500 people. It is clear that in future the trend will be for employees to participate directly in the operations and decision making of their companies. Since that is not what this bill sets out to do, I see it as my duty to vote against this legislation.

[*English*]

Mr. John Brewin (Victoria): Mr. Speaker, the member made an excellent speech and I appreciated the points he was making.

I wonder however if he would elaborate a bit on the issue of labour relations within Canada Post. It has been an issue of concern right across the country. The history is that labour relations have been handled very badly at Canada Post. There was a breach of faith by the administration. Does the member see this bill doing anything to help that situation?

Mr. Bélair: Mr. Speaker, I thank the member for Victoria for his question. No, this bill will not serve to improve employee-employer relations at all.

• (1245)

This is why I was saying in my speech that the actual tendency for employees to participate in their company is not being addressed in Bill C-73. It is not being addressed because the shares that will be sold to those employees are non-voting shares.

If there was a climate and an atmosphere of confrontation before then this bill will not serve to alleviate those confrontations at all. I strongly believe that the government has missed an excellent opportunity to submit to both employer and employees a plan whereby both would participate in the decision process of Canada Post. With time, relations between the two groups—because we have to say it is two groups—would have improved dramatically for the benefit of all Canadians and services would have improved. Also the delivery of mail would have improved and employees would have taken a stronger interest in the future of Canada Post.

Mr. John Brewin (Victoria): Mr. Speaker, I am pleased to speak in this debate. I might just ask my friend the member for Bonavista—Trinity—Conception if he would

like to speak in the debate before one o'clock, in which case I can try to accommodate him. Is the memeber ready to do that?

Mr. Mifflin: Yes.

Mr. Brewin: Fine. I will try to keep my remarks brief in order to do that. This bill has been thoroughly debated in the House. It was debated at second reading. I had a chance to participate there and put some of my views on the record. I should not take too long.

I do want to speak as forcefully as I can against this bill. This bill would really be a first step toward the privatization of Canada Post and perhaps there are cases where privatization may be valid although, coming from the tradition that I do, there are probably fewer occasions than many other members of this House would see. There may be occasions but this is not one of them.

Canada Post has been run as a corporation of the 19th century variety for a long time. That is the source of the problem. The leadership of Canada Post obviously went to the Ebenezer Scrooge school of labour relations. As a result, the labour relations within Canada Post are abysmal.

Instead of using the term labour relations one might almost use the term management relations because the responsibility for the problems of employee relations in Canada Post clearly rests with management. No other management in the country could pile up over 100,000 grievances so that the whole system is in gridlock. It now becomes impossible for an employee who has a legitimate grievance to expect any industrial justice within Canada Post. The system has failed and it is the responsibility of management. This bill does nothing to address that.

There are problems as well in the simple functioning of Canada Post and without consultation with employees. It is a breach of a fundamental rule of modern management. Canada Post persists time and time again to put into practice new methods that are designed to create anxiety within the work force and to slow down efficiency for the general public.

For example, in Victoria it has just recently instituted a system. Instead of sorting the mail in Victoria on a Friday and over the weekend, it takes the mail from Victoria—if one can imagine it—by ferry to Vancouver to run it through the sorting machine on the weekend. It then brings it back on Monday or Tuesday to deliver it a day late to the people of Victoria. It is typical. It is unfortunately typical. The consequences in service are dramatic.

• (1250)

Probably all of us have experienced phoning Canada Post with an inquiry. You cannot talk to any human being in Canada Post any more. You end up having to phone somewhere else. Victoria is a capital city and one of the growing regions of this country, but Canada Post has moved its inquiry service to Vancouver. You end up phoning somebody in Vancouver who usually does not know what part of Victoria you are talking about.

I had an experience just the other day phoning Canada Post. First, I was put on hold but eventually got somebody who said it was not their department. The call was referred to somebody else who also said it was not their department. Again the call was put on hold. Eventually the line died. There was no answer. Thousands of Canadians experience that in seeking to find out what has happened to their mail or their service.

All Canadians have suffered from the junk mail that gets thrown in. When I was looking into one of these problems in my riding, I came across the mentality that now pervades Canada Post. The officials started talking about service to the customer. It turned out they were talking about service to the companies that wanted to get their junk mail into people's homes.

The customer is no longer the general public, the people who wish to mail correspondence and have it delivered in a reasonable period of time. The customer is the corporate sector. It seemed to me that summarized the problems at Canada Post.

We need to change. Instead of the direction in which this bill takes us, we need to change our whole approach to Canada Post. We need to begin with a thorough consultation with the public. I would say that in each area of Canada, Canada Post and the administration should establish small committees of the public to begin looking at the problems at Canada Post from the public's point of view.

This should be joined by a genuine consultation with the employees through their unions to seek changes in Canada Post. If your work force does not have good and

high morale you simply cannot deliver the service that you are asked to.

This bill is flawed. It opens the door to the privatization of Canada Post. It fails to deal with the labour relations problems at Canada Post. It makes no effort to change the management at Canada Post. Until the management is changed it is not going to be possible to change the attitudes that pervade Canada Post, the attitudes that are bringing this great service to a standstill.

I call on the House to defeat this bill at this stage. Send this whole mess back to the government with a requirement that it take a completely different approach than it has been taking on services to the public by Canada Post.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, at the outset I want to thank my hon. friend from Victoria for this opportunty. He and I will be attending the same meeting this afternoon. I do appreciate his consideration in giving me the opportunity to speak on this bill at third reading as this afternoon's activities would have precluded this.

I want to make reference to the comments by my hon. colleagues who have spoken on this subject. My colleague from Essex—Kent spoke eloquently and with great substance on the issue this morning. My hon. colleague from Cochrane—Superior was the most recent speaker on the Liberal side. Of course, there was the hon. member for Victoria who is not to be forgotten. They put a human face on what is happening to Canada Post.

I am vehemently opposed to the bill. If anything needs to be done with Canada Post, it is not to privatize it. It is not to put together a piece of legislation that causes the initial steps to be taken for privatization. These are measures that mitigate and almost put the employees in a different category of persons. The idea is that they would have shares but non-voting shares. I do not want to get into the details of this bill because it has gone through committee and has been discussed.

• (1255)

I think the principle of the bill really calls into question the whole business of how the postal service is run in Canada. I am going to read something for clarification and for the benefit of putting a certain aspect to my relatively short presentation here this morning.

When the Crown corporation of Canada Post was created under the Canada Post Corporation Act a few years ago, the mandate had five or possibly six principles. I am concerned with the first principle that is described as: "The desirability of improving and extending its products and services"—I underline services—"in the light of the developments of the field of communications".

If some of the examples we have heard in the last 10 minutes in this House are improving the field of communications, one human being communicating with another, then I think we are far off the mark.

The mandate given in 1986 for Canada Post to close 5,221 rural post offices—not urban but rural post offices—at a loss of 10,000 jobs has been well under way. I am told that 1,200 of these post offices have been closed in rural Canada and roughly 3,200 people have lost their jobs. The principle of people losing their jobs when we have 1.6 million Canadians unemployed today is despicable and shameful. The aspect of this in a generic sense is very disturbing.

I will give the most recent example, but for that example there could have been many others and there are many others. I do not fault the officials involved. Officials working for a Crown corporation or for the government have a mandate. They have a job to do and have terms of reference. If they do not do it, they are fired. Who wants to be fired today when the unemployment situation is as it is? If you lose your job you may not qualify for unemployment insurance, thanks to another recent initiative by this government.

I am quoting the example of Spaniard's Bay, a community of about 3,000 people in my riding. Having set a meeting on short notice for December we managed to get it cancelled and delayed until after Christmas. On January 10 representatives of Canada Post met with the elected representatives of Spaniard's Bay. I was unable to attend.

I was told by the political representative, the member of the House of Assembly for that meeting and the follow-up meeting, that every possible objection in the world was raised as to why Spaniard's Bay, which had

already had its postal services degraded by the number of hours two years before did not want to have any change made.

Both the officials sat there nodding their heads. All they could do was repeat their mandate that when a natural opportunity arises the postmaster will have to retire and we will have to resort to another kind of postal service. That is what is being done all over Canada. That is what is being done in these 5,221 cases. That is what is going to be done with this community. Why? Because it is done for everybody. No compassion can be shown because it is their mandate.

Imagine the wrath, the ire, the disappointment and the surprise of the people in Spaniard's Bay when they discovered those five recent cases which happen to have been in the Prime Minister's riding. There are others as well. I am not going to quote the details because I do not have time, but five post offices in towns with populations of 363, 3,733, 4,000, 1,000, 225 and in the most blatant case 121. Canada Post advertised that the post office would have an immediate vacancy. Nobody applied for the job. In accordance with its rule it should have closed it down anyway because of the natural opportunity but it did not and went out again to hire somebody else. This is not applying the rules and the mandate in a fair and balanced manner.

One example of why I believe that if we need anything to improve Canada Post and if we have any bills and legislation to be passed in this House it should be to go back and restore to Canadians the proper service that the Prime Minister promised in an election promise in 1984 when he said that improving the service of Canada Post is going to be a top priority for the government.

If closing down 5,221 post offices in rural Canada is another blow of the demolition derby of this government of destroying rural Canada then I do not see that as an improvement in service. I would certainly say that if this is used in substantiation of trust in the government to approve Bill C-73 on third reading then I think it has gone about it in the wrong way and it is far from receiving the support from this side of the House and many of my colleagues.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being one o'clock, I do now leave the chair until two o'clock this afternoon, pursuant to Standing Order 24(2).

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

TOBACCO SMUGGLING

Mr. Gilles Bernier (Beauce): Mr. Speaker, the governments concerned should thoroughly investigate the effects of tobacco smuggling. This is urgent. Merchants find that cigarette smuggling is making life difficult for them. The tax system must be re-evaluated and some Indian reserves and other networks that benefit from this smuggling, which deprives the governments of hundreds of millions of dollars, must be brought into line.

We should recover these amounts by lowering the taxes of the various levels of government. Will we tolerate this flagrant lawlessness for long? I call on the ministers of finance, revenue and justice of the governments concerned to take the bull by the horns and lay down the law for those who traffic illegally in cigarettes and alcohol and evade taxes.

Does the will exist to eliminate this scourge from Quebec and Canada?

* * *

[*English*]

OFFICIAL DEVELOPMENT ASSISTANCE

Mrs. Christine Stewart (Northumberland): Mr. Speaker, ludicrous, stupid and destructive are just a few of the adjectives that have been used to describe this government's latest round of cuts to Official Development Assistance.

Those of us who have committed our lives to ensuring that the people most in need are the beneficiaries of Canadian aid are flabbergasted at the changed policy directions being implemented by this government, changes

which represent the abandonment of our stated official policy to help the poorest countries and people in the world.

The changed policy direction implemented because of a 10 per cent cut to our aid budget has been implemented without benefit of public consultation and in an election year when the government's mandate has run out.

Mr. Mahbub ul Haq, the author of the UNDP report, suggested that a move in this direction "would be an unmitigated disaster". Not only were these cuts implemented without Canadian public consultation but they were also implemented without consultation with the affected countries.

Just as this government has shown through its policies that it has little regard for the people of this country, it is with these measures demonstrating its lack of regard for the poorest people in the world. This government obviously does not comprehend the nature of development assistance and the need for a people first, grass roots development policy which will lift civil societies to self-determination and self-sufficiency.

* * *

[*Translation*]

TAQRAMIUT NIPINGAT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, Taqramiut Nipingat is concerned about the budget cuts announced on December 2 for native communities' communications programs.

This organization produces radio and television programs by Inuit people in Inuktitut and distributes them in northern Quebec. As well as preserving Inuit culture and protecting their language, Taqramiut Nipingat provides essential communication services for thousands of people.

I sincerely believe that this communication program must not be cut back, given the economic importance of northern Quebec and this remote region.

I ask the Minister of Finance to revise Bill C-113, because Taqramiut Nipingat is one of the few opportunities for training and employment in the North.

* * *

[*English*]

ABORIGINAL YOUTH

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, Canadians have been shocked by recent news stories about the epidemic of suicide among aboriginal young people. Studies show that aboriginal youth are killing themselves at rates five to seven times that of the national average.

In Big Cove, Davis Inlet, the Nishnawbe-Aski communities in northwestern Ontario, and Stanley Mission in my riding the story is the same. Unemployment rates of 80 to 90 per cent and centuries of cultural genocide are the reasons these young people are giving up hope.

Yet this year the federal government has cut economic development programs for aboriginal people by over $40 million while it has increased welfare budgets by $52 million. Excellent proposals for coming to terms with this issue are coming in from First Nations across the country, but they are caught on the bureaucratic treadmill while the crisis in their community accelerates.

Our First Nations people want to end the cycle of dependency and despair. Canadians overwhelmingly share their vision of a future with hope for aboriginal youth.

It is only this government, which has the primary responsibility for aboriginal people, that is not getting the message. Until it does young people are going to pay the price.

* * *

VIOLENCE

Mr. Stan Wilbee (Delta): Mr. Speaker, concerned citizens around the world were shocked by the recent murder of a two-year old in Britain by two 10-year old boys. Unfortunately the same attitude that fostered that crime also exists in Canada today.

• (1405)

People from coast to coast are demanding action to stop the increasing violence in our society. It is necessary

for all levels of government to work together in an effort to determine the causes of such attitudes and behaviours and to institute remedies for these problems.

It is indeed difficult to legislate morality and good behaviour, but for the sake of our country and future generations every effort must be made now in many areas to restore safety to our streets.

Some areas of concern include the increasing violence on television and in films, pornography, the breakdown of the family, over-emphasis on rights while ignoring responsibilities, poverty, and the lack of adequate facilities to assist disturbed youth. I ask all governments and society to work together to combat this alarming trend.

* * *

TRANSPORTATION

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, the lack of a coherent transportation policy in Canada is nowhere more evident than in northern Ontario. By cancelling VIA Rail in the north and by its failure to act on western grain transportation this government has clearly demonstrated that it lacks the will and the courage to make the necessary changes to treat east and west fairly in Canada.

This government is driving regions toward north-south orientation. They must do this for their economic future. Look at Sault Ste. Marie, linked to the best interstate system in the world, and Windsor and southwestern Ontario and its proximity to Michigan. Sarnia is only the width of a river from the interstate system. In my own area of northwestern Ontario we will be forced into a north-south transportation network. We are 40 miles away from this interstate system.

I wonder how long it will take the people in Canada in those regions to go to Amtrak to look after their passenger rail service? This government's transportation policy is forcing regions to protect their economic future in a way that is not in Canada's best national interest. They are going north and south rather than east and west.

* * *

ATLANTIC CANADA ECONOMY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, on February 2 in the House I made a statement and asked the Minister of Agriculture about the proposed changes to the Feed Freight Assistance Program. If the changes are approved as proposed they will penalize Atlantic Canadian farmers unduly and unfairly.

Another proposed change that will harm Atlantic Canada will be the reduction in the maritime freight rate program which assists Atlantic Canadian industry in being competitive. This program has been in place since 1927.

If these long-standing programs are reduced as proposed Atlantic Canada will lose its ability to compete. Both the agricultural and industrial communities have proposals before their respective departments. These plans address the financial needs of the government but do not place an undue burden on Atlantic Canada.

In the interest of government and business working together in Atlantic Canada I ask the ministers involved to implement the proposals submitted instead of the plans presently on the table.

* * *

PEARSON INTERNATIONAL AIRPORT

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, I repeatedly called for an environmental assessment review panel for the proposed additions to runways at Pearson International Airport.

I am dismayed by Transport Canada's decision to disregard the panel's recommendations. The panel's report states that no decision should be taken at this time with regard to the construction of one or more additional runways at Pearson.

Further, the report rightly observes that any decision to proceed will be perceived as a signal that the concerns expressed before the panel, like previous efforts to mitigate the adverse social impacts at Pearson, have fallen on deaf ears.

There are major implications for public policy in Transport Canada's decision to ignore its own environmental assessment panel. Whatever the actual conclusions of the panel, the government's decision simply to overrule its recommendations raises fundamental questions about the efficacy of all such reviews, not to mention the futile expenditure of taxpayers' money.

The residents of Etobicoke and other communities urge the government to reverse its decision and develop a total transportation strategy which alleviates rather than exacerbates the already formidable environmental burdens placed on the communities surrounding Pearson International Airport.

* * *

POVERTY

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, it was with shock and horror that I heard the hon. member from Mississauga refer to the subcommittee on poverty as a kangaroo committee.

In doing so she maligned not only the chair but every member of that committee and members sitting on all sides of this House. Her remarks are outrageous.

Has she not heard of the *Brighter Futures* initiative? Does $2.6 billion mean nothing to her? What about the child tax benefit designed to help low income families? Was the member not paying attention?

• (1410)

It is tragic that any Canadian citizen must live in poverty. The plight of Canadian children is one of great concern to us all. The Liberals and the NDP do not hold a monopoly on compassion. This government has worked hard, not only to provide financial support to disadvantaged Canadians but, more important, to provide them with the tools to become self-reliant.

Perhaps it is time my colleague was apprised of this government's achievements in the area of social—

Mr. Speaker: The members' time has expired.

* * *

NUCLEAR NON-PROLIFERATION TREATY

Mr. John Brewin (Victoria): Mr. Speaker, last week the government signed an agreement to sell uranium to Taiwan in breach of the spirit of the nuclear non-proliferation treaty. Until now, Canada has always insisted that Canadian nuclear materials would be sold only to signatories to the nuclear non-proliferation treaty, which is designed to stop the spread of nuclear weapons.

This treaty is up for renewal in 1995 and faces a very difficult round of negotiations. Canada and the world have a tremendous stake in the success of these negotiations yet the government is undermining the treaty on the eve of the renewal negotiations, contrary to the security of Canadians and the peoples of the world.

To make it worse, the government is routing the sale through the United States to avoid the terms of the treaty and it entered into the agreement after the Minister of Agriculture visited Taiwan, in another breach of official Canadian policy.

* * *

ABORIGINAL AFFAIRS

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, aboriginal communities throughout the country are in desperate need. Aboriginal people know what must be done but this government continues to deny them the tools they need to work with.

A vicious cycle links poverty and inadequate and overcrowded housing to family violence, substance abuse and suicide. Yet this government has done nothing to improve aboriginal and northern housing and economic conditions. In fact, this government has made matters worse.

Despite an aboriginal and northern housing crisis, aboriginal and northern housing funds have been cut. Despite high aboriginal unemployment rates, aboriginal economic development and aboriginal communications funds have been cut.

In northern Canada aboriginal language television provides jobs and information on social issues that people cannot get otherwise due to their remoteness.

A new approach is needed which realizes that all things are connected and solutions will come from the people themselves if they are given the opportunities. This government has failed to provide these opportunities. It is time for a new government.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, in Saskatchewan we have recently experienced the Saskatchewan NDP supporting enhanced trade with Mexico. There has been a weak attempt by the Saskatchewan NDP to say: "Yes, but".

A recent article in *The Regina Leader Post* states:

NAFTA bashing by NDP becoming a little tiring.

It highlighted this back-and-forth posturing.

I would entreat everyone who truly cares to know more about this trading relationship to read this article. It concludes by saying, and I quote again:

In sum, the NDP/trade union position on free trade is a collection of worn-out clichés that presents the facade of solidarity, while attempting to conceal political hypocrisy and union self-interest.

It is time for all parties to recognize that Canada's economic growth and the maintenance of our standard of living are interconnected. Both should be above partisanship.

* * *

[*Translation*]

ERNST ZUNDEL

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, the decision of the Ontario Provincial Police not to charge Ernst Zundel for promoting hatred and lies about the holocaust is extremely disappointing.

[*English*]

The decision to lay criminal charges under the hate crime provision of the Criminal Code rests with the NDP Attorney General, Marion Boyd. Instead of recognizing the fact that holocaust denial is one of the most powerful weapons of the neo-Nazi movement the provincial NDP in Ontario is burying its head in the sand.

The German government has complained that materials published by Zundel in Canada are being used to fuel the rise of Nazi and extreme right-wing racist organizations. It is time to put an end to this kind of criminal activity.

I hope that the provincial NDP government uses the power it does have to put an end to this type of hate propaganda.

* * *

STANDARDIZED TESTING

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, in Canada we have a lot to learn. International tests have been done in math and science. Canadian students in grade four perform at the international average, but by grade eight they are out-performed by students in many other countries.

• (1415)

Canadian high school graduates have even poorer results. Testing of basic skills over the past 25 years shows deteriorating achievements. Somewhere along the line we are letting our students down.

In late 1991 provinces recognized the need for national standardized testing, but the proposed school achievement indicators program ran into problems along the way.

As a nation we want our graduates to be competitive in the new global economy. We want our students to stay in school, to learn, to achieve and to move into challenging jobs. I hope we will work as a nation toward achieving these goals.

Governments at all levels can put together a system of standardized testing that will help parents and educators to identify and meet the needs of our students throughout their education.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, this government is in an utter state of confusion over its position on the NAFTA legislation and the proposed parallel accords on the environment and labour standards.

The Prime Minister says that perhaps the legislation should be delayed, and in reference to the accords he says: "They have little if anything to do with Canada".

On the other hand the trade minister says they will ram the NAFTA through before July 1 and then again contradicts the Prime Minister by saying that the accords are important to Canada and that we must be at the table.

Meanwhile the finance minister demonstrates similar confusion on the domestic front. He promises a budget some time soon to present a plan to deal with the deficit. This plan, he says: "will probably be based on the previous plan we had which has slipped".

What we have is a new plan based on a failed old plan. It is obvious this government is in a total state of confusion. It has no leader, no direction domestically and obviously no direction internationally.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the minister of defence.

An internationally recognized aviation magazine has reported that Agusta, the Italian company from which the government is buying the EH-101 helicopters, is now $1.4 billion in the red and is now under the bankruptcy protection rules in Italy.

The Italian government appears both unwilling and unable to provide a bailout under the European Community rules.

Why is the minister insisting on risking billions of dollars of taxpayers' money to support a company that is about to collapse? Will she not at least suspend the contract so that we can ascertain that Canadians will not end up subsidizing a bankrupt foreign company?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the government has no reason to believe that the contract will not be performed as stipulated.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, let me ask a supplementary question about how this performance will be completed.

In late January the EH-101 prototype helicopter crashed for unknown reasons, killing four people including the test pilot. The Italian ministry of transport has grounded the eight remaining prototypes and has opened an inquiry which has yet to report.

Why has the government made the commitment to buy an expensive piece of equipment which has not yet proven to be either safe or reliable? How much will this government pay for somebody else's mistakes?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the prototype to which the hon. member refers that did crash is not the same model that is the subject of our contracts.

The government has chosen this model to replace the two fleets of helicopters and the fleet of fixed-wing aircraft for the same reason that the member of that hon. member's party who sat on the standing committee supported unanimously with his colleagues the purchase of these helicopters in November 1990.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the minister knows full well that when that committee reported the cost of the helicopters was less than 40 per cent of what it is now, before the collapse and crash of the prototype.

In sum, the minister is telling us that the government has committed billions of dollars to buy helicopters it has yet to prove it can fly in a safe and reliable fashion from a company that is going bankrupt, without any protection for the Canadian taxpayer.

Can the minister tell us what guarantees the government has received on non-performance of this arrangement? In the name of honesty, fairness and good government, will the minister table the helicopter contract so there can be an appraisal of just what commitments are made and how the Canadian government can extract itself from the mess this minister has got us into?

• (1420)

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the hon. member has no basis on which to make the claims he is making.

With respect to the crash of the prototype helicopter, which is in fact not the model that is the subject of our contracts, I am more concerned about the more recent crash of one of our aging Sea Kings off Florida.

I think Canadians want a standard of safety in modern technology and do not wish to play politics with the safety of the men and women who serve in our Armed Forces.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is also for the minister of defence.

The minister of defence and the government continue to ratchet up almost monthly the cost of these helicopters. Originally a number of years ago they were announced at $2 billion. That figure subsequently became $4.4 billion. They acknowledged a few weeks ago that it was $5.8 billion.

In the original news communiqué put out by the minister's predecessor the cost then announced at $4.4 billion included the helicopters, spare parts, technical manuals, training and administrative costs. Not included of course was the cost of arms for those helicopters and the cost of strengthening frigates.

I want the minister of defence, because surely she has those numbers at her fingertips, to tell this House, and through this House Canadians, what are the additional costs above known costs to bring these helicopters on stream, to prop up a bankrupt Italian firm and to waste taxpayers' money.

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, the numbers that have been used in this House by opposition members, are being used footloose and fancy-free. They are dreaming up numbers almost on a daily basis.

From the time of the announcement the price of these helicopters was $4.4 billion. It is $4.4 billion in today's dollars. It has been from the beginning and will be to the end.

The figure they have then used is what is used in every large contract which goes over 13 years, a figure which is in possible inflated dollars for contingencies in case there is inflation. They try to use that as if it is a different figure.

It is $4.4 billion in today's dollars and always has remained the same figure.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, that answer is as bankrupt as one of the partners in the joint venture building the helicopters.

I want to ask the minister of defence a question. It is not a supply and services question; it is a defence question. In the fact sheet put out by the minister's department on these helicopters, describing the equipment the helicopters use it describes two torpedoes per helicopter, 24 sonar buoys, smoke markers and so on. That equipment is not included in the press release put out by the department of defence outlining the cost of the helicopters. That is a fact.

What is the additional cost of strengthening 16 frigates? What is the additional cost of purchasing and supplying arms for the 35 helicopters that are deemed to be appropriate to be armed?

Mr. Minister you haven't told Canadians the full truth. Tell them now.

Some hon. members: Oh, oh.

Mr. Speaker: Hon. members on both sides of the House know that it has been our custom and tradition not to use the personal you, no matter how strong one feels about an exchange, and to put the questions through the Speaker.

I would just have to let all hon. members on both sides of the House know I am going to insist on it.

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, the very first time this issue was brought up I told the hon. member that the cost of the aeroplanes and the systems that were going into them was $1.4 billion plus $1.4 billion for $2.8 billions.

The other costs include the logistics, the spare parts and the other peripheral equipment that goes onto it rather than just the body of the aircraft itself and the systems going into it.

At that time I offered the hon. member, if he wanted, a briefing on this. As a matter of fact he did not go to the briefing until after it closed down. He was not there for the briefing. He was only there for questions that he posed afterward. Only one other member of his party was there for the briefing. He ignored it. He did not want to know the facts.

• (1425)

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

Mr. Dick: We would be very happy for this to come up—

Mr. Tobin: Mr. Speaker, on your feet. That's a lie.

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member will retract that statement. The hon. member is not going to get away with that and he knows it.

Some hon. members: Withdraw.

Mr. Speaker: I am sure all hon. members would understand that the position of the Speaker is not easy in a situation like this one.

It probably is best, as the hon. member is a very experienced member in this House and has been here for a long time, if perhaps the matter could be settled

between myself and the hon. member. It does not need a lot of comment from everybody else.

Mr. Tobin: Out of respect for the Chair, Mr. Speaker, I withdraw the comment directed at the Chair.

Mr. Speaker: I thank the hon. member. I also thank other hon. members for accepting my suggestion that in a case like this it is best if it is settled by the Speaker and the member who is involved.

Mr. John Brewin (Victoria): Mr. Speaker, I appreciate your intervention. This is in fact a very serious issue for all sides of the House. I did attend the briefing. Last fall I asked the associate minister for national defence and she acknowledged that these helicopters did not fit on the frigates and required millions of dollars worth of modification.

It has now been brought to my attention that there are even more serious design problems affecting the working relationship between the helicopters and the frigates, problems which go to the very fundamentals of this project and may require its cancellation.

My question for the minister is a very serious one. Has she been informed of any other design problems affecting the capability of the frigates if they have these helicopters attached to them and, if so, will she inform the House?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): No, Mr. Speaker.

Mr. John Brewin (Victoria): Mr. Speaker, I would be pleased to inform the minister that tomorrow details of this will be made public.

Let me simply say that yesterday the minister said to the House that the whole project including the frigates and the helicopters should be reviewed. Those were her precise words. The minister inherited this project from previous ministers.

Will the minister who has gainfully defended this project now show some political courage and set up an independent review of this project and save the Canadian taxpayers billions of dollars in wasted money?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I did not say I was going to take a review. I simply reminded hon. members that the shipboard helicopters are a completion of the frigate project and if one is going to talk about cutting them back then that has implications for the frigate project.

When I mentioned the possibility of reviewing that there were heads shaking on the other side of the House clearly not in support of that.

I might say that on taking over as Minister of National Defence of course I reviewed the policies to which we are committed. In reviewing the helicopter project I was much comforted by the support of the hon. member for Victoria who as a member of the standing committee was part of the consensus that supported replacing our Sea King helicopters with the EH-101, and I thank him for that advice.

Mr. John Brewin (Victoria): Mr. Speaker, I quote the minister from *Hansard* yesterday:

> I think this is something that we should review.

I may also make two points to the minister. First, the recommendation was not to purchase the EH-101s but was instead to replace the Sea Kings. The report did comment favourably on the EH-101s but times have changed since this report was filed. We on this side are prepared to cancel this agreement in light of the facts that are now in front of us.

Will the minister not face up to the new facts that are coming in daily on this helicopter and will she not agree that it is important to review this purchase and in fact to put it on hold?

• (1430)

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I would agree with the hon. member that times have changed since November 1990 after the fall of the Berlin wall and the end of the cold war. That hon. member gave his support to this particular project.

I would suggest that what has changed is less the question of the cold war than a more imminent contest which will probably be hotter and which I think is more the motivation of that hon. member's question.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also for the Minister of National Defence.

It is true that the situation has changed and that the Italian company in question is nearly bankrupt. It is also true that the prototype helicopter which she recommends had an accident that killed four people. Since this

project was announced last year, the cost has risen not just by $2 billion but possibly by $4 billion now.

So I would like to ask the minister this: Since thousands of children in Canada have no food, would she be prepared to cancel this contract for the sake of Canadians?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, what concerns me is the recent accident of one of our old Sea Kings. I am aware that the men and women serving in our Canadian forces need to be safe and not made to fly in old, unsafe helicopters.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, if the minister is interested in the women and men in the Armed Forces, why does she want to buy a helicopter of which a prototype had an accident that killed four people?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, it is not the same prototype as our helicopter. I think it must be pointed out that many prototypes of helicopters and other aircraft in the world have accidents when they are being tested out. This is not a reason to cancel this contract.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is also for the Minister of National Defence.

The minister now knows she was wrong yesterday when she told the House that she had not been made aware of outrageous sexist comments made by one of her senior officers. Given that the commandant of the National Defence Medical Centre obviously opposes the government's policy on equality for women in the Armed Forces as stated by the minister in the House yesterday, why has the minister not relieved Colonel G. D. McLean of his duties?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am very pleased that the hon. member has raised this question again. On inquiring about the very serious issue she raised, I was advised that the reason why I was not personally aware of it was that it had been resolved. The booth relating to pay equity in the Armed Forces was in fact put in place. The member of the Armed Forces who appeared not to understand the policy was dealt with through the appropriate channels.

That issue was resolved before the hon. member raised the question. I am sure she did not know it when she raised the question but I am sure she will be pleased to know there was a satisfactory resolution of it.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary question is for the same minister.

While the minister is out campaigning she may believe that the issue has been satisfactorily resolved but if she would take off her blue coloured glasses for a moment she would know that jobs performed primarily by women in the Armed Forces are paid at a discriminatory rate compared to jobs performed primarily by men.

If the minister is taking no action concerning Colonel McLean's comments, what specific concrete action will she take today to end pay discrimination against women in her department?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am happy to say that action has already been taken by the Government of Canada. It is the policy of the Government of Canada. It is the policy of the forces of Canada and it is the policy that is being applied in the Canadian Armed Forces.

* * *

• (1435)

TRANSPORTATION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport.

As the minister knows, the rail industry in Canada is in a crisis. CN is getting rid of its main line from Truro to Sydney. CP is getting out of Atlantic Canada altogether. The two rail companies have merged in the Ottawa valley and are now talking about a full merger east of Winnipeg. Last week CN announced 10,000 more jobs will be cut.

All of this is happening in the absence of any national plan by the federal government to determine what the rail infrastructure should look like.

My question for the Minister of Transport is this. Will he immediately assign a task force the responsibility of determining what the basic rail infrastructure should be? As part of that, will he impose a moratorium on any main line rail abandonments and any further job cuts until that plan is in place?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member certainly knows, because he was at the press conference this morning, that the NTA review commission has tabled its report. I officially tabled it in the House this morning.

As a result of the tabling of this report I indicated that it would be submitted to the standing committee of the House of Commons for examination and report. At the same time, the Ministry of Transport will be striking a work force to examine both the Royal Commission on passenger transportation and the report of this review commission.

Mr. Iain Angus (Thunder Bay—Atikokan): I have a supplementary, Mr. Speaker.

Perhaps the minister should have listened to the question instead of reading the script he was given. I did not ask about the NTA review. I asked about the future of rail in this country. The best thing that the NTA review can come up with is more deregulation, giving the railroads more power to rip up tracks from one end of this country to another.

I want to put my question to the minister again. Will he impose a moratorium on any further main line rail abandonments? Will he impose a moratorium on the job cuts that CN and CP are conducting until we know what kind of rail system we need in this country?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, if the hon. member is really interested in the future of the railway he should applaud that CN is being fiscally responsible and has as its objective to properly serve its customers. It has decided to rationalize itself.

The member should know, and I am telling him if he does not know, that the largest railway in the U.S. has a volume of about $5 billion a year and has 31,000 employees. CN has a volume of less than $3 billion and also has 31,000 employees. It is natural that CN wants to cut, rationalize and become more productive.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the same minister. The report of the National Transportation Act review commission also says that the railroads are in worse shape and risk facing a drastic situation by the end of the decade. The commission also adds in its report that the government should privatize Canadian National. The minister has had this report since January 30. CN employees have a right to know what is going on. Why did the government adopt the policy of privatizing CN Rail?

[*English*]

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I would like to know what this member's policy is and what the policy of his party is on this question. This morning, at his own press conference after the tabling of the NTA report, he said he and his party do not fundamentally and forever oppose privatization.

• (1440)

Mr. John Manley (Ottawa South): Mr. Speaker, perhaps the minister would try answering questions directly and honestly for a change and we might actually have a debate in this House.

Mr. Speaker: I do not think anybody would be too perplexed around here whether anyone on either side of the House wanted either a direct question or a direct response, but I think we can refrain from using the word "honestly" with the imputation that perhaps it is not being given honestly. The hon. member.

Mr. Manley: Mr. Speaker, I will not use the reference to honest in connection with the minister.

The issue of airlines is also raised in the report. The minister has been saying for some time now that he intends to recalibrate, to use his jargon, the regulatory framework within which the airlines in Canada operate.

His commission's report has not given him any help on that. It is time for the minister to stop waiting for royal commissions, review committees, task forces, transport committees and start answering questions about how he is going to preserve competition on Canadian domestic air service routes in this country.

How is he going to do it? When is he going to do it? When is he going to take responsibility?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, my honest answer is that the management of both airlines have recently testified in court that they know what their problem is. It is over-capacity.

If they know what the problem is, then they should attack it themselves. If they do not, then we will intervene.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport.

The minister will note that in the report on the National Transportation Act the commission recommended the removal of regional development as one of the priorities of our national transportation system. He will also know that under great pressure his government was forced to include it in the original 1987 act.

Regional development is absolutely a key component in the transportation systems for all parts of the country. Yet not only when this recommendation came down, but when the royal commission recommendation came down, the minister remained absolutely silent.

Will the minister reassure the House and all Canadians that regional development will remain an effective component of our transportation policy?

[*Translation*]

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the two commissions of inquiry, the Royal commission on passenger transportation and the National Transportation Act review commission, made similar recommendations. Both commissions have transportation experts who devoted a lot of effort to this question.

I think the member should be glad that we will give members an opportunity on the Standing Committee on Transport to examine these recommendations from experts and to provide the Minister of Transport with their own recommendations. At the same time, the Department of Transport will also do its homework to see what recommendations apply, which ones we should accept and which we should not.

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplemental is for the same minister.

Some of the issues raised in this report are immediately and obviously incorrect. The one dealing with regional development affects not only cities like Winnipeg and Halifax, but Montreal, Quebec City and Baie Comeau. Regional development is key to these cities. By referring it to study and putting it on the back burner, the minister again puts the stability of these local economies at risk.

I ask again: Will the minister reassure the House that this government appreciates the importance of transportation in the regional economies of this country?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I repeat again that these two commissions were composed of specialists in transportation industries. They have made recommendations for the short term, the medium term and the long term.

The hon. member should be very pleased that we are now going to ask members of Parliament to examine this in the Standing Committee on Transport and report to this House on a proper way to handle these recommendations.

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Public Works.

As the minister knows, since August 1989 Mr. Alan Scales has been chairman of the federal Crown corporation, Marine Atlantic, which operates the ferry service from Prince Edward Island to the mainland, a service that will be eliminated to pay for the fixed link.

• (1445)

Is the minister aware that Mr. Alan Scales' law firm has been associated with the proponent of the fixed link Strait Crossing Inc. since May of 1988 and that Mr. Scales has now joined in the Federal Court trial to support the Liberal Government of P.E.I. on the side of the fixed link?

What will the minister do about this textbook case of conflict of interest where during part of the day Mr. Scales wears a paediatrician's gown and the rest of the day wears an undertaker's hat?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, first I want to make sure that he is not the type of transvestite my hon. friend is suggesting. Second, I am going to check very carefully to see that the information he has given me is true and then I will make up my mind.

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Minister of Transport and it is not about transvestites.

Will the minister explain to Canadians why as the Minister of Transport he employs Mr. Alan Scales as chairman of the federal Crown corporation Marine Atlantic when the same Mr. Alan Scales is before the Federal Court supporting the Liberal government of Prince Edward Island in its push to kill that same ferry service?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I was not aware of these circumstances. I take notice and I will prepare an answer for the member.

* * *

EMPLOYMENT

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Employment and Immigration.

The good news is that the Self-Employment Incentive Program is working very well in northern Nova Scotia, but the bad news is there is one area that is excluded. That is Colchester county.

Will the minister move to extend the application of SEI to Colchester county and give the people there the same opportunities that everybody else around Colchester has?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the fact is that under that option of the Canadian Jobs Strategy, I believe $6.9 million is allocated to Nova Scotia.

As the hon. member knows, because of his good work in his riding of Colchester that area is doing very well. There are other places in much greater need. Unfortunately the criteria is such that we have to take care of those parts of Nova Scotia having a greater need. We are piloting some projects in the Halifax region. I will check as to whether or not we could not pilot this good initiative in the member's riding.

[*Translation*]

TRADE

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is for the Minister for International Trade. I believe that he is out for a few minutes, so I will direct it to the Minister of Finance.

The minister has said clearly on several occasions that he would begin negotiations about how to obtain additional guarantees for strengthening the North American Free Trade Agreement in the areas of the environment and labour standards. However, so far, he has refused to promise clearly that the main treaty will not be signed until these supplementary negotiations are concluded. This is extremely important and I believe that the people are entitled to know where the government stands on this question.

Can the minister finally tell us if he will make signing one agreement conditional on signing the other?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, first let me say to my hon. friend that the government is quite satisfied that the NAFTA agreement itself is in the interests of Canada and should proceed.

In regard to a side agreement on the environment or labour, we were prepared to discuss these matters with the Americans as long ago as February of last year. I put forward proposals, for side agreements on labour and the environment with both the Americans and the Mexicans. These were turned down.

The Americans have now raised the point again. We are delighted to have an opportunity to put our case forward at this time.

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, this is a good example of an indirect answer to a very direct question.

No one will understand the refusal of the minister to commit himself on such an important question for all Canadians, especially when President Clinton has just said in a recent speech delivered to an American university and I quote: "That agreement holds the potential to create many jobs in America over the next decade if"—and that is a big if—"it is joined with others

to ensure that the environment, living standards, and working conditions are honoured".

• (1450)

Will we see the Americans withholding their signature while this government rushes to the table to sign the main treaty before the conclusion of the parallel agreements? Will this government undermine the American efforts to protect our own environment and our own jobs?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, first of all, let me say to my hon. friend that the treaty has been signed. The NAFTA agreement was signed last December. It is now up to Parliament and the congresses in Mexico and the United States to pass it.

The Americans have made a statement that they will not pass this unless their Congress approves the side agreements. It has nothing to do with Canada and Mexico. We will participate in that negotiation as well in order to get the best possible terms on the environment and on labour standards.

I should also point out to my hon. friend that there is nothing in the NAFTA itself that allows any other country to impose lower environmental standards on Canada or another country. Indeed, the result of the agreement will be an improvement in the environmental standards in all three countries.

* * *

AUTOMOTIVE INDUSTRY

Mr. Jim Peterson (Willowdale): Mr. Speaker, General Motors has announced it is going to lay off an additional 8,675 workers by 1994. These are workers in Oshawa, Scarborough, St. Catharines and Windsor.

In light of these lay-offs I ask the industry minister exactly what conversations he has had with George Peapples, the president of General Motors Canada and exactly what he is going to do about it?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I met with Mr. Peapples two and a half weeks ago.

We discussed this in the context of the over-all problems that General Motors is having on a world-wide basis. I expressed my deep concern about what is happening to General Motors Canada. He promised that he would take into account these concerns as these decisions are being made.

Let me just point out to my hon. friend that he is referring only to the lay-offs. He has not made any reference at all to the increase in truck production at the plant in Oshawa.

Mr. Jim Peterson (Willowdale): Mr. Speaker, if the minister wants to look at his record in terms of the auto industry, over the past four years Canada has lost 15 per cent of its auto jobs. The United States during the same period has lost only 8 per cent.

If the minister is so proud of his record, can he explain why under his stewardship Canada is losing auto jobs at twice the rate of the United States?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, if my hon. friend would go back to 10 years ago and see the proportion of automotive production in Canada relative to our sales in Canada and compare that to the United States, he will see that the result has been a significant increase in jobs in the auto sector.

There has been a considerable increase in production so that today Canada has I believe 17.5 per cent or 18 per cent of the total production in the United States and Canada, compared to the size of the sales market which is about 9 per cent. That is a very good record.

* * *

IMMIGRATION

Mr. Joe Fontana (London East): Mr. Speaker, despite our recognition yesterday in this House of International Women's Day, I have a question for the Minister of Employment and Immigration.

There are three women in London, Ontario who are still waiting for this government to recognize gender persecution as a legitimate refugee claim. In fact, Mrs. Simret, Mrs. Sighed and Mrs. Bahlebi-Tedia are all single mothers fighting deportation to Ethiopia. In three days Mrs. Bahlebi and her son will be deported to a country where she was beaten publicly and persecuted. She has not lived there for over 17 years.

What will the minister and this government do to end the gender discrimination of refugees and introduce a consistent policy which will allow these women and others to stay in Canada?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member will be pleased to know that today the chairperson of the Immigration and Refugee Board, Madam Mawani, has issued guidelines on gender-based persecution.

• (1455)

Members of the board will now assess the particular circumstances which have given rise to the claimant's fear of persecution. They will also assess the conditions in the country of origin before entering their decision.

These guidelines are intended to ensure a thorough and sensitive method in this difficult and complex matter. They will promote consistency across Canada and coherence in those decisions rendered on refugee claimants.

The hon. member will also want to know that in January I asked the department to start discussions and consultations with interested persons and groups across Canada so that as a country we can deal with this crucial and important question. That process will take place.

A former member of this House, Mr. Broadbent, has qualified this development as positive and I intend to pursue it.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, in some circumstances the minister of immigration does not need any guidelines. He can glean advice from another government ministry.

A Russian woman in my riding, Irina Aoucheva, and her Canadian-born daughter face imminent deportation if the minister fails to intervene. While immigration officials say that Irina's claim of persecution is unfounded, experts at external affairs tell me that: "The situation is so confused in Russia that there are no guarantees for their safety one way or the other". In fact, while immigration officials go by the book, external affairs advises: "Russian law is not at the state where local authorities could prevent anything from happening to this woman".

Why is the minister refusing to accept this advice? Is he prepared to submit this woman and her Canadian born baby to persecution?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, if the hon. member wants Canadians to believe we are interested in sending people to be persecuted he has it completely wrong.

This government was the first to introduce in the Immigration Act the authority to require for every failed refugee claimant a case-by-case review where the person will not be deported if there is harsh or inhumane treatment awaiting that person in the country of origin.

These provisions have been introduced in the act which that hon. member voted against.

* * *

CONSUMER AFFAIRS

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, last year the consumer and corporate affairs committee tabled a report on credit cards in Canada. The committee recommended that the government introduce legislation which would require standardized information disclosure by credit card companies.

Will the Minister of Consumer and Corporate Affairs review the committee's recommendation and work with his provincial counterparts to introduce this badly needed consumer legislation? Consumers then would be able to compare apples with apples.

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development): Mr. Speaker, I wish to thank the hon. member for his question and for his continued interest in this matter.

We are considering the committee's recommendations and I can assure the hon. member we have already started discussing potential improvements with the provinces.

* * *

[*English*]

INTEREST RATES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of Finance.

The minister will know that today the treasury bill rate has reduced by 23 bases points to 5.66 per cent. This is the lowest rate for a long time.

Some hon. members: Hear, hear.

Mr. Blenkarn: Has the minister had any negotiations or conversations with the banks, bearing in mind that the prime rate is the rate on which business loans are judged, to see if he can get the bank rate or the prime rate down to 6 per cent and fuel our economy even faster than it presently is going?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I thank the hon. member for that question.

The rate today at 5.66 per cent is the same as it was on July 9, 1992. In so far as the prime rate is concerned, the hon. member will know that it is 6.25 per cent. It is 6 per cent in the United States. That is very narrow.

• (1500)

I think the hon. member knows that the banks have been leading and bringing down interest rates. The hon. member will be very encouraged to know that the spreads on short-term money are narrowing very dramatically. It is just over 2 per cent and that is a good sign as well.

* * *

MUNICIPALITIES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Finance as well.

The government, without any consultation, has decided to slice $15 million from grants in lieu of taxes that the municipalities were to receive from the federal government.

Yesterday in committee finance officials admitted that they intend to do this in a completely high-handed fashion without any legislation coming before the House of Commons.

Why does the minister think that he can get away with attacking Canadian towns and cities that are going to be very badly hit by this move without even seeking parliamentary okay through legislation?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, we are not attacking towns, villages and municipalities.

The fact is that where grants and contributions across the board have been cut by 10 per cent, in the case of the grants in lieu of taxes, we have frozen the grant at the $424 million level, the same as it was in 1992-93.

For the information of the hon. member, in 1988 that figure was $250 million. Since 1988 grants in lieu of taxes have doubled. In the last three years they have gone up by 30 per cent. All of us must tighten our belts, including the municipalities, the provinces and the federal government. As the hon. member knows, there is only one taxpayer.

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, my question is for the Minister of Public Works and is along the same lines but not with respect to legislation.

I would like to ask about municipalities where the federal tax base is very significant, such as Oromocto in my riding, where CFB Gagetown is such a large part of the property tax base. What avenues for consultation and negotiation with his department are going to be made available to municipalities such as Oromocto to address these critical factors in their 1993-94 municipal budgets?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I appreciate the question from my hon. colleague. He has been very concerned about his municipality, as have other members in the Chamber.

The Minister of Finance has indicated the necessity for re-evaluating the process for municipal grants in lieu of taxes because of the rapid escalation.

I have already had the opportunity to meet with the Federation of Canadian Municipalities on one occasion. I hope to meet with them again this week. We will be exploring ways to try to implement the freeze to which the Minister of Finance has referred in a fair way.

I would suggest to my colleague the best way that his municipality can try to meld itself into this approach is to work with the Federation of Canadian Municipalities as we try to come to some agreement.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of Vyacheslav Chornovil, member of the Supreme Rada of Ukraine and chairman of the Rukh Party.

Some hon. members: Hear, hear.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I wish to raise a matter of personal privilege regarding comments made by the Minister of Supply and Services during Question Period.

It is my contention that the Minister of Supply and Services has sought to deliberately mislead members of the House and through the House, mislead members of the public with comments he has made suggesting, as he did during the Question Period to much agitation on this side of the House, notably from the member speaking, that I had passed up an opportunity to be briefed by DND on the subject of the EH-101 helicopter.

The minister began his comments by suggesting that I had missed entirely a briefing that was offered to me and to other members. Subsequently, and *Hansard* will show this, he altered those comments, as the agitation on this side of the House became extremely apparent, to suggest that I came late to the meeting. On the day in question, February 9, at 3.30 p.m., one-half hour after the end of Question Period, three members of Parliament from this side of the House took part in the briefing, the member for Bonavista—Trinity—Conception, the member for Labrador, and myself, and three or four, I do not know the exact number, Liberal assistants.

• (1505)

It is true that I came into the briefing session, as the minister describes it, near the end of a slide show by DND officials. However I was there for all the questions, comments and discussion that took place between officials, parliamentarians and assistants. As well, I might point out that questions and answers were still ongoing. Notably, I was still putting questions and getting answers when the special assistant to the Minister of National Defence stood up and cut off the meeting.

With that knowledge, if the minister's comments that have been made in this House are deliberately misleading and deliberately assign motives to a member of this place, cast aspersions on a member of this place. If the minister is not aware of all the facts then I would seek that the minister would withdraw those comments.

It is my belief, generally speaking, that members should seek and should expect the protection of the Chair when such comments are made.

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, I assure you I will not take any longer than the hon. member. On the week leading up to Friday, February 5 both the Liberal and New Democratic Parties were offered briefings on the EH-101. On Friday, February 5 the Liberal Party did not show for the briefing between one and two o'clock or between three and four o'clock, but the New Democratic Party, represented by the hon. member for Victoria, showed up for its briefing between two o'clock and three o'clock.

A second scheduled meeting was put forward. It was attended by the briefing team of Colonel Ross; Colonel Daly; Ray Sturgeon, ADM materiel from national defence; Harvey Nielson, PMO-DND; Gary Sager, PMO-DSS; and Commodore Garnett. This was set up for 3.30 p.m. to 4.30 p.m. on Tuesday, February 9.

At 3.30 p.m. the hon. member for Bonavista—Trinity—Conception and the hon. member for Labrador entered the room and were there for the briefing until 4.25 p.m., for 55 minutes. At 4.25 p.m. the hon. member for Humber—St. Barbe—Baie Verte, who has presented this point of privilege, entered the room, 55 minutes later, at the conclusion of the slide show and the briefing. As I indicated in Question Period he was there for the questions and he did ask some questions but he missed the briefing.

Mr. Speaker: Just a moment. We are in the midst of a question of privilege. Does the hon. member for Cape Breton—East Richmond have a point of order that might assist me?

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am sorry that the Chair heard point of order. I wish to add some facts with regard to the point of privilege raised by my colleague, in view of the fact that I am intricately involved in some of the facts which the minister has alluded to.

I am wondering if the Chair under the guise of fairness would give me an opportunity to present my intervention.

Mr. Speaker: Somebody said point of order and that is what I did hear. If the hon. member is speaking on this particular point of privilege I will most certainly hear him.

Mr. Dingwall: Mr. Speaker, the Minister of Supply and Services is correct in certain facts on this issue.

I know the Minister of Supply and Services to be an honourable minister and he will recall that on February 2 his colleague, the Minister of National Defence, was the lead minister who offered a briefing to members of Parliament on both sides of the House. On February 3 I instructed a member of my staff to make contact with the minister's office in the person of Mr. Kevin Phillips, who is the associate director of the Directorate of Parliamentary Affairs, to set up the briefing.

On February 5, as the House leader for the Official Opposition I sent a letter to the gentleman in question. I sent not only a letter but a fax as well.

• (1510)

On February 9, which the minister has referred to, at 3.30 in the afternoon, not only was my colleague who has raised the point of privilege present but my colleagues, the member for Bonavista—Trinity—Conception and the member for Labrador, were also present along with other Liberal assistants.

The hon. minister opposite shakes his head and says no. Was the minister there? No, the minister was not there. I want to make it perfectly clear so that the Minister of Supply and Services, who during Question Period made reference to my colleague and who I know is an honourable person, will stand in his place and admit that he referred to the hon. member in question as lying. That is the word he used, in fact he used it on two specific occasions.

In conclusion, with regard to the point my colleague has raised, the meeting which the minister has referred to has cast aspersions upon my colleague from Newfoundland. His activities as an active member of this House of Commons were cut short, not by members of the opposition but by the legislative assistant to the Minister of National Defence. I would hope, on the basis of fairness and of the title "honourable", that the minister opposite would stand in his place and apologize to this member and to members of this House.

Mr. Dick: Mr. Speaker, it is most appropriate that the hon. member for Cape Breton—East Richmond would come to the defence of the hon. member for Humber—St. Barbe—Baie Verte. I can understand.

There is an error in one of his facts. He said that the hon. member was there at 3.30 p.m. Be that as it may, I have offered before in Question Period and I offer again, if they want to bring this up in the standing committee and go into all the details I would be more than delighted to do that and we can have all the officials there. If by some chance I overstated a case and made a reference which is unparliamentary because of the errors which all so often happen in stating of fact in this case by the members in question then I would certainly want to apologize to the House. I would not want to be unparliamentary. But they should get their facts right.

Mr. Speaker: I wonder if the hon. minister could assist me a little bit and explain exactly whether the minister is withdrawing anything that he has said. I understand there is an apology for any error he may have made. I think I divined an apology if he did say what he has been accused of saying, but I want it absolutely clear on the record.

Mr. Dick: Absolutely, Mr. Speaker. I agree. If I said anything that was unparliamentary I withdraw it.

Mr. Dingwall: Mr. Speaker, as a spokesperson for the Official Opposition I wish to thank the hon. member opposite, who has made an unequivocal apology to my colleague in this House for his unparliamentary language.

Mr. Speaker: Perhaps on behalf of all hon. members I can thank the minister and the hon. members for Cape Breton—East Richmond and Humber—St. Barbe—Baie Verte.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I rise on a point of order. In Oral Question Period, the member for Humber—St. Barbe—Baie Verte asked the Minister of National Defence a question and he said this:

[*English*]

"Mr. Minister, you haven't told Canadians the full truth".

[*Translation*]

Mr. Speaker, I understand that accusing someone of not telling the truth is considered unparliamentary. I therefore ask the member for Humber—St. Barbe—Baie Verte to withdraw what he said, if I heard it correctly, and apologize appropriately to the minister.

[*English*]

Mr. Speaker: In response to the hon. member's intervention, without presuming too far on the general customs here, the hon. member for Humber—St. Barbe—Baie Verte is not in the House at the moment. Perhaps we could come back to this matter at another appropriate moment.

* * *

• (1515)

POINT OF ORDER

BILL C-113

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I want to raise with you for your guidance comments that were made yesterday in committee with respect to testimony dealing with Bill C-113.

During testimony by officials from the Department of Finance with respect to that bill, which has the effect of freezing a number of different expenditures, I raised a question regarding the freeze to grants in lieu of taxation to municipalities and how that will be brought before the House of Commons for debate or discussion.

I was answered at that stage with the following comment: "There is no legislation either in the House or contemplated".

I raise with you the question of order, Mr. Speaker, and whether it is possible to arbitrarily change the legislation or a practice that has taken place under the Municipalities Act since the 1940s. Is it not necessary that some piece of legislation be brought—

Mr. Speaker: I listened very carefully to the hon. member for Essex—Windsor. I was not quite sure exactly what the point of order or the intervention might be leading to and I did not want to be under any misapprehension and I did not want to intervene too quickly.

However, the hon. member is really asking the Chair to make an interpretation on a situation relevant to past legislation and relevant to whether or not it is necessary to bring in any new legislation or amendments to legislation.

That is not a matter that the Chair can comment on. Even if it is a question or a point of order which is somewhat doubtful I do not think I can assist the hon. member any further.

It would be appropriate for the hon. member to pursue the matter at another time.

GOVERNMENT ORDERS

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Andre that Bill C-73, an act to amend the Canada Post Corporation Act, be read the third time and passed.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I have a few words concerning this piece of legislation at its final third reading and passage through the House.

The bill itself really will do nothing for Canada Post or mail service in Canada. It will do absolutely nothing. Who invented the legislation or who came up with the idea is unknown to members of the House. The substance of the legislation is to offer something to employees, who are not defined under the legislation, amounting to 10 per cent of the shares of the Canada Post Corporation.

The Government of Canada would of course retain 90 per cent of the shares of the corporation.

The reason we do not agree with this legislation is that we believe it is a waste of time for the Government of Canada and the House of Commons of Canada to be discussing this non-issue in this Chamber and be taking up the time and money of the people of Canada to perform a duty such as this when not even the unions representing the employees are in agreement with it. It does nothing for postal service in Canada. It does not improve the record of Canada Post, which is a very bad record as far as mail delivery is concerned, as far as lost

mail is concerned and as far as the destruction of Canada Post and the post office in Canada is concerned.

• (1520)

We have gone from a corporation that had as its main objective the delivery of mail in Canada to a corporation that is now closing down post offices and that has reduced mail service in Canada. We have seen the introduction of so-called supermailboxes in a lot of the rural areas in Canada. We have seen the closing of our post offices that meant so much to people in our rural and urban areas of this country.

Perhaps the most important reason why we are opposed to this legislation is that it will really not do what it appears to be doing. I say that because the shares being offered to the employees—it is not defined and perhaps is meant to be management—will not be voting shares. The say in the corporation will not mean anything at all as far as the administration is concerned, as far as the day-to-day operations of the corporation are concerned or as far as anything is concerned. It will do nothing to lift the veil of secrecy surrounding the corporation.

What is the salary of the chief executive officer of Canada Post, for example? Nobody knows except the chief executive officer of Canada Post. Nobody else knows. Who else might know? The cabinet might know. A committee of the cabinet might know what his salary is. I would say it is somewhere in the order of about $380,000 per year. It is probably about that. The salaries of the chief executive officer, the chief operating officer and the people at the top in Canada Post, paid for from the taxpayers' pockets, have been substantially increased over the years. There has been a substantial increase from about 1987.

The salary jumped. As I recall, the CEO's salary was somewhere in the order of $180,000 per year in 1987—I could be wrong—give or take $50,000. As I mentioned, nobody knows what his salary is. It jumped by about $100,000 a year in about a year and a half and then it jumped again because the margins increased by that amount.

The people talked about in this legislation are the employees who are being given a share in the corporation. The employees of Canada Post are now being told they are going to have to lose their jobs in this and that post office. There are also the people of Canada who depend on the mail service. Neither one of these groups will have a say in the administration of the post office or in the salaries that are paid to the top people in Canada Post. They will not even know what they are. It is a secret. Only the cabinet knows.

How does the cabinet know? The cabinet knows because every year or so it sits down and examines the salary of the head of this corporation.

• (1525)

Mr. Dingwall: How much does he make?

Mr. Baker: The House leader for the Official Opposition asked the question: How much does he make? I suppose we could figure it out if we knew what his Christmas bonus was.

Mr. Dingwall: Is it a whole lot of money?

Mr. Baker: Is it a whole lot of money? Do we know what his Christmas bonus was?

Mr. Dingwall: He did not get a Christmas bonus.

Mr. Baker: Ho, ho, ho. Yes. He gets a Christmas bonus and it is approved by a committee of cabinet.

How much is that bonus? The cabinet sits down and gets a recommendation from the board of Canada Post that is appointed by cabinet that gauges how the head of this corporation behaved. These are the exact words: "If he met important corporate objectives he would be guaranteed 50 per cent of 25 per cent of his salary".

For example, say his salary is $400,000 a year. It is about that for the head of Canada Post. He makes more than maybe three cabinet ministers. He makes three times as much as the Prime Minister makes.

Mr. Bélair: Is it true, Gerry?

Mr. Baker: Oh yes. Oh yes. He makes three times as much as the Prime Minister of Canada makes by decision of the Government of Canada.

None of the people affected by this bill are going to have a say in how much he makes or how much the increase is going to be. They are not even going to have a say in what his bonus is.

Let me get back to the bonus because this is rather interesting. At the end of March, this month, a recommendation will go to the cabinet as to what the bonus will be for this financial year. Somewhere around December the cabinet meets and the Privy Council gives a list to the cabinet on certain specific bonuses to be given. One of them is the bonus for the head of the Canada Post Corporation and that decision will be made.

Remember I said that it is 50 per cent if he meets corporate objectives. What are the corporate objectives? The corporate objective as defined by the government is to cut costs.

An hon. member: Slash.

Mr. Baker: It is to make sure a post office is closed to save money. Make sure the post office is closed in Green Bay or Twillingate Island or in central Newfoundland somewhere or in northern Ontario or in New Brunswick to make sure that corporate objectives are met.

I am willing to guarantee that he gets more than that 50 per cent. How does he get that? The second objective that the head of Canada Post has is for all objectives to be met "with important objectives exceeded". That gives him 75 per cent of 25 per cent of his salary as a Christmas bonus. It is 75 per cent.

I am willing to bet that it is even higher than 75 per cent of 25 per cent of his salary. What does he do for that? I will say what he has done. It says that "all objectives met, some substantially exceeded" equals 100 per cent of the hoard.

An hon. member: Shame.

An hon. member: Unbelievable.

Mr. Baker: How much is 25 per cent of $400,000 a year?

An hon. member: It is $100,000.

Mr. Baker: It is $100,000 to the executive officer of Canada Post, for what?

Mr. Arseneault: For closing post offices.

Mr. Bélair: For firing people.

Mr. Baker: Right. These bonuses are of course nothing short of pay-offs for lay-offs.

• (1530)

That is what has happened with the closure of post offices. You will note there is no category at all for below 50 per cent of the 25 per cent of a salary as a Christmas bonus. There is no 40 per cent. There is no 30 per cent. There is no 20 per cent. There is no 1 per cent. It starts at 50 per cent.

He gets 50 per cent of 25 per cent of his salary as a Christmas bonus. He makes three times as much as the Prime Minister of Canada. Nobody covered by this bill passing the House now is going to have a say in what his bonus is.

Nobody covered by this bill has a say on how well the corporation does. The reason for that is the corporate objectives defined to establish how much his Christmas bonus will be are established by the Government of Canada. It is the Government of Canada that decides what the guidelines will be.

Why is this bill passing the House? This bill passing the House will not increase the efficiency of the post office. It will not cause post offices to be reopened. It will not have anything to do at all with the administration of the post office. What it has to do with is an idea that the Government of Canada has that it is just going to deflect the entire issue, while its members sit down at the end of this month and say no to the employees and yes to another bonus for the chief executive officers of Canada Post Corporation. They get more in the form of a bonus than some of our highest paid Canadians do as a wage for an entire year.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, it is a tough act to follow my colleague. He has certainly put the case before us in good form with some good statistics.

When we look at the purpose of the bill, we find that the bill, as many speakers have already alluded to, will permit the sale of up to 10 per cent of Canada Post Corporation to employees. This would be accomplished by establishing an employee share savings plan.

In my mind this is yet another step toward the continued privatization of Canada Post. I must add that I am opposed to that move. I was always opposed to it and I am still opposed to it. This process has to stop.

[*Translation*]

This process is pretty obvious when we look at the policies of Canada Post. The main objective in this attempt to privatize Canada Post is to close down more than 5,000 rural post offices. Most Canadians object to this policy, and so do I. As far as my riding is concerned,

it has just been announced that the post office in Pointe-Verte will be closed. I strenuously object. The mayor, council and people of Pointe-Verte also object. Regional mayors and councils object as well.

I want to take this opportunity to quote from some of the letters I received about these closings. I have here a letter addressed to Martha M. Peters, Manager, Atlantic Division, Canada Post Corporation, and I quote—

• (1535)

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member. The Chair is willing to be lenient with respect to relevance, but I may remind him that the bill is not necessarily about this particular matter. In any case, I suggest the hon. member be brief if he wishes to touch on these aspects.

Mr. Arseneault: Mr. Speaker, in my speech I said that the purpose of Bill C-73 is to privatize Canada Post. I want to say at this point that the process has already started as post offices are being closed down. I will quote some examples to show that most Canadians across this country are opposed to these closings. With your leave, Mr. Speaker, I will quote passages from various letters.

The first letter reads as follows: "The Pointe-Verte post office plays an important role in the socio-economic development of our rural community, and considering the increasing use of postal services by the people of Pointe-Verte, we believe that Canada Post should immediately take the necessary steps to maintain the quality of the service provided". The letter is signed by His Worship Mayor Maxime Lejeune.

I have some more letters from residents of the Restigouche—Chaleur area who are also opposed to this policy and who support the mayor of Pointe-Verte. I have here a letter from Her Worship Mayor Jacqueline LeBlanc of Petit-Rocher, which reads as follows: "The municipal council of Petit-Rocher herewith supports the representations made by the municipality of Pointe-Verte to your corporation, requesting that the community's post office remain open". People object to these closings and they object to the privatization of Canada Post. I think there is a clear connection here with Bill C-73.

Mrs. LeBlanc goes on to say: "You must realize that the federal government is using your corporation to destroy the social fabric of a Canada that, lest we forget, consists mainly of rural areas which are the breadbasket of this country".

I have some more letters, including one from the Save the Pointe-Verte Post Office Committee signed by Yvon Arseneau, which appeared in several newspapers across the province, and I quote: "It would seem that in its assessment of the situation in Pointe-Verte, Canada Post failed to consider all the implications. I think this policy of closing down post offices should be reviewed".

[*English*]

To continue what I was saying, I believe this bill has the intent of continuing the process of privatizing Canada Post. I believe the process has already started in the attempt to close over 5,000 post offices across Canada.

These 5,000 post offices, if we put it in terms of personnel, would mean 10,000 lay-offs. It would mean lay-offs to 10,000 people, of which 83 per cent would be women in rural areas. You know how hard and how difficult it is to find employment in rural areas.

I would also like to point out that when we look at this bill and we talk about privatization, the intent of Bill C-73 is to allow the employees to buy shares. This buying of shares is supposed to improve the service. We have many complaints in our area about Canada Post and about improved service. It is about time that we air those complaints here in this public forum in the so-called highest court of the land. It is important that we put it in proper perspective. I have been listening today to many members talk about their own communities. It is important that everyone across the country realize that problems exist throughout Canada with regard to Canada Post.

• (1540)

In my home town of Dalhousie I have been working on a file for some time now concerning problems associated with twin street mailboxes. It is not a matter of dealing with people who are not understanding, it is a matter of dealing with a corporation that has no feeling and that does not exhibit any common sense.

We have asked the corporation to move those twin mailboxes inside. The answer has been no. We have a little bit of inclement weather in northern New Brunswick so we have asked for protective coverings. The

answer has been no. We have asked for outside lighting for the people who come at night to pick up or post their mail. The answer has been no. We have asked for larger print for senior citizens and people who have impaired vision so that they could see the postal codes because mail has to be placed in one box or the other. In light of misdirected mail and the costs associated with that I think it would be a logical idea.

We now hear that Canada Post wants to reduce hours at the Dalhousie post office and ultimately probably try to close on Saturday. We know that it has attempted to reduce hours at Nash Creek. This is going on in my riding.

I heard the member for Cochrane—Superior earlier today refer to his riding. His riding is very similar to mine, a rural setting. We have a couple of urban centres. The city of Campbellton was a sorting centre for Canada Post. It still is a sorting centre but has been reduced somewhat in that capacity. I do not think that is fair. I do not think it makes common sense that mail has to go to another region to be sorted and then come back into the region. It does not make sense.

There have been numerous requests by myself and citizens throughout the riding to have more mailboxes added at post offices and in various communities. The answer has been, wait a little longer. We have no money. The boxes are under production. There is no room at the post office. However, Canada Post still wants to close the post office. It does not make sense to have five families sharing one postal box.

I can go on with different cases. In fact I have one I have to share which is sort of unbelievable. An 80-year old woman received her mail on a rural route and had her post office box at the end of her lane. A car clipped the box off two falls ago just before winter set in, so she could not have the box replaced. She picked up her mail at her neighbour's rural box. When springtime came, she had a carpenter or someone come in and reinstall the box. Canada Post refused to put her mail in her box. She was told to continue to get her mail at her neighbours. This was months and months of hardship for that elderly woman. We worked on the case. I must give Canada Post credit. It finally saw the light and came through at the end, but why put an 80 year old woman through that? It does not make sense.

This bill is not going to do anything to improve the situation. It is not making Canada Post any more efficient. It is still going to continue to close post offices. It is still going to have its labour problems. When we talk about labour problems, when you look at the number of grievances that the unions have with Canada Post, there is something wrong somewhere.

Canada Post likes to say it is all the union's fault. I would like to say that some of the blame should fall on the union but after looking at some of the evidence that I have seen the majority of the blame should fall on Canada Post and its objectives and the manner in which it wants to reach those objectives.

Canada Post has some very loyal, dedicated and efficient employees but their morale is decreasing because of the constant attacks by Canada Post.

• (1545)

In the eyes of Canada Post Canadians are number two and that is the problem. We should be number one. Canadians are number two and big business corporations, their tactics and their profits, are number one on its list. That is a shame. It does not go in stride with the Canadian mentality, with Canadian history or with Canadian tradition.

The minister has claimed this bill will improve employer–employee relations. I say that is hogwash. That is wrong. The unions have indicated it will not. They have indicated they are opposed to this bill. To put it bluntly I trust the union members more than I would trust the managers at the upper levels of Canada Post. I can honestly say that in dealing with the employees out in the trenches, in dealing with persons in areas of responsibility in the regions, they are responsible and reasonable. However their hands are tied by upper level management, wherever it is. That is a shame.

I would like to conclude by simply saying that I am opposed to this bill. It has no meaning. It means nothing. There is no rhyme nor reason to it. Buying shares and not being able to vote does not make sense in the long run.

I am also opposed to the general philosophy of Canada Post and the direction it is going in. I would hope that other members who have from time to time spoken on Canada Post issues and have opposed closures of their post offices will support their colleagues who are going to vote against this bill.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, earlier today I was asked to speak for 10 minutes on this particular bill, but the events of the day have taken me to speak double that time. Actually I am quite happy to have my time extended. It prompted me to call around the community and find out just exactly what the status was. It is not that I did not know before, but some gruesome details were brought forward today and I welcome the opportunity to raise them.

All members want to highlight their own constituencies and talk about the problems they may have in a particular area. One that has certainly bedevilled me in the four years and four months I have served in this position is Canada Post, the post office workers and the customers. I can safely say after finding out today what is going on that we have reached the zenith of dissatisfaction with Canada Post.

Before you rule me out of order, Mr. Speaker, I want to address Bill C-73 specifically. It suggests the employees will be able to voluntarily buy up to 10 per cent of the shares of Canada Post. Most of the employees in Canada Post are eager to get a buy-out, not a buy-in. The morale is that bad. The harassment of workers is that bad.

It is difficult for us to appreciate the fact that many of us enjoy some freedom in our jobs. Some of us enjoy a great deal of freedom; others have very little freedom. I do not know if I could handle an occupation that measures the number of steps I take in a day. If I take 10 steps too many or 10 steps too few my route might be changed and that has an impact on all of the mail carriers. What kind of flexibility does an employee have working for Canada Post?

I suspect that very few will be buying into the company. You do not buy into a company that obviously is looking to sell out to other people. Bill C-73 no doubt is addressing the beginning of privatization of Canada Post. It has been quoted to me: "There is no doubt we want to sell it but we have to make it very profitable first". That is the bottom line. If it is profitable then it can be sold, but at this point in time it is creating a great deal of problems. In the name of efficiency, in the name of better service, it is going in the opposite direction. What I have uncovered today certainly proves to me and to the residents of my community that it is absolutely true.

• (1550)

Once in a while we have the business community on one side, the residents on another and the unions on yet another side perhaps. In this one everyone agrees that the system has deteriorated. The saga of Canada Post is a sad one.

I remember four years ago. I was new on the job. I fell for it. Canada Post approached me and said it wanted to build a new post office for Sault Ste. Marie. I thought that was great. I talked it over and we found it was reasonably good. It was going to invest $5 million on the outskirts of the community. It would impact on some workers but over-all it looked like an investment in the community.

I foolishly went forward and made the announcement in front of the old post office, a landmark in our community. I said that Canada Post had chosen to invest $5 million in our community. It would improve efficiency. Everything would be better for all of us and it would still maintain the great heritage structure.

I made that announcement for Canada Post, like a fool, like a gullible dolt. I did it. Two months later, much to my embarrassment—it did not seem to bother Canada Post—it said it was sorry but it had changed its mind.

That is good corporate planning. It was going to invest $5 million but two months later the plan was changed. I then asked what the plan would be. A new facility would not be built; the old facility would be renovated. I thought that did not sound bad and asked what exactly would be done.

We went to the site. I was advised that $0.75 million or whatever would be invested to improve the docking bays. Once again I was hesitant but asked if the office downtown would be maintained. Great, it would still be there. It would still be the focal point of our community, as the post office is in so many communities across this country. I was told that things were not going to change. It would be business as usual but we would have a better facility.

This time at least I did not make the announcement. I did not fall for it. Canada Post made the announcement. There was a certain amount of apprehension on behalf of the workers but it looked good.

The saga continues. The building is renovated and rehabilitated. However, what is happening is that Canada Post in its corporate decision making felt it had to centralize the mail. It had to be shipped off a couple of hundred miles to Sudbury. It had to centralize in the name of efficiency, but if efficiency were improved some Canada Post employees would have to be laid off.

Nobody likes that and certainly we did not accept the fact that Sudbury was going to sort our mail. What is wrong with Sault Ste. Marie? We have always sorted it. We have the capacity. Canada Post had invested in new machines in Sudbury and they would have to be used. Canada Post proceeded to do this.

Now we find out that Monday to Thursday all our mail is put in one particular mailbox if it is being mailed in Sault Ste. Marie and another one if it is going out of town. If a letter is mailed on Monday, Tuesday, Wednesday or Thursday in Sault Ste. Marie to a resident of Sault Ste. Marie it will not be sorted in that community. It has to go away. It goes 200 miles to Sudbury and comes back to Sault Ste. Marie.

It is not the same on the weekends. It cannot be sent to Sudbury. It is sent to Ottawa to be sorted. It is shipped off to Ottawa. The crux and climax of the story, the tragedy is that complaints are coming in daily that it is taking four or five days to deliver mail within the community and up to a week if you are mailing outside the community.

People always use letters. I have a letter from someone who mailed a birthday card to their grandson in Wawa which is 140 miles north. He got it after his birthday. He got it 10 days later.

The business community in my riding is upset. I will read what they say: "If a letter is mailed from Sault Ste. Marie on a weekend it goes to Ottawa to be cancelled. So if a letter is to be sent to an address in Sault Ste. Marie it goes from Sault Ste. Marie to Ottawa to Sault Ste. Marie on a weekend. On other days it goes from Sault Ste. Marie to Sudbury to Sault Ste. Marie. The bottom line is if a letter has to go one mile away within the community it may have to go 900 miles to get there". Now is that efficient? It is not efficient, absolutely not.

• (1555)

The minister said on May 1, 1992: "It is a proven vehicle for improving morale if we allow people to buy shares in the company". I am a great proponent of employee shares, of employee ownership, employee buy–out. I introduced a bill and the government killed it. Government members should know it is not a good idea. The minister on the one hand says it is a good idea if Canada Post employees buy it, but on the other hand it is not a good idea if another industry buys it. That is because it is not at the government's behest, its request, its demand or its suggestion.

The saga continues and it gets worse, believe it or not. Canada Post officials came to Sault Ste. Marie and said they had a new deal for us: pilot projects. My community was one of the lucky ones in Canada. I had been tricked before but I listened. I am a good guy, I always listen.

They said Canada Post was now going to become a corporate citizen. It was going to sponsor events in our community. That would make everybody happy and everybody would love Canada Post. It sounded good and I asked what else was going to happen.

They said there was a new commercial outlet system, but our post office would have to be downgraded. If we wanted to buy stamps at the main post office we would have to buy $300 worth. That is a lot of stamps. Not a lot of people buy $300 worth of stamps. We asked where we were going to buy our stamps. We were told that outlets would be put all over the place and that this would be better for us and for business. Canada Post would have sales people go out. It was going to commercialize and privatize it. They would go out and sell stamps to all the businesses.

That did not sound all that great to me. Well, certainly it did not. Within one month that commercial enterprise is now dead. I did not find out until today that it is dead. The proponents told me just a month ago that this would be a raving success. We have not heard from the proponents, the workers told me. It was the workers who asked whether I knew that this was now gone.

I was not fooled this time. I was not fooled, but once again Canada Post has struck a death–knell in the community as far as postal services are concerned. I

suppose we are one of the luckier ones as at least we have post offices. We are an urban centre of some size with 80,000 people. I pity those rural towns and villages across this country that have no post office at all. I guess this government will suggest that maybe pony express will be back. The mail will be delivered by horse.

It is criminal and this bill is disguising something else. It does nothing at all. We should not even be discussing it in the House because it is inconsequential. It is a masquerade.

Getting into efficiency, Canada Post has a good media relations group, great government liaison people. They were very upset with some of the people in Sault Ste. Marie who questioned some of their motives. Now they are lecturing to people in a letter to the editor. They said: "You people have to smarten up. Just because you are delivered a letter to your house at the wrong address, do not expect us to re-mail it for you. The onus should be on you. If it is delivered to your house incorrectly, put another stamp on it, even if it is not your letter".

The national media relations from Canada Post came down on the community and said that Canada Post must provide all customers with efficient and reliable delivery of their mail. To do so, Canada Post must have the correct address. The correct address is provided by the sender. It is also the responsibility of individuals to ensure their new address is communicated to all correspondents.

• (1600)

It is not only a question of saving money but of efficiency. Every time a piece of mail is returned into the system that piece of mail is delayed. Proper addressing is essential to the reliability and speed of mail delivery. These are wonderful words, but the system in place is obviously failing. They say every time it goes into the system yet again it is more costly. Whatever is mailed in Sault Ste. Marie goes to Ottawa and it takes seven days or ten days for it to get back to Sault Ste. Marie. That is not efficiency. It is not working.

We always create the wrong villains in society. I admit it. People say to me that mail carriers make too much money and that one does not need a Ph.D. to deliver mail. They are very hard on these people. I do not know who has made villains of those people. I do not want to point fingers. It is unfair, totally unfair.

When the number of steps one takes in a job is measured it is an indication of the sense of responsibility or the sense of pride in working for any corporation, in this case Canada Post. Morale is nil. It is below zero. Many speakers have pointed out the number of grievances, that there are more grievances than the numbers of employees, and they are never settled. They go on for years and years.

During that very acrimonious strike a while back emotions were high and some of our folks got excited and had every reason to get excited. There were charges laid against some of the employees of Canada Post. To the people who were laying the charge the police said: "Look, we are prepared to drop this. Just let these people go. It was in the height of emotion during a labour dispute. Let's forget it. Let's go on to a positive employer-employee feeling". Canada Post said: "No. We do not care who says let's forget it. We want to process the charges. Continue with the charges against these people".

In the meantime it affects their vacation. It affects their retirement. It affects their lives. Obviously in this situation they were guilty before they had a chance of proving any kind of innocence.

Certainly the mail service in our community is up in the air. I suspect that Sault Ste. Marie is only a microcosm of what is going on right across this country. There is complete and absolute dissatisfaction with the system, with the idea that the faster we can be profitable the faster we will be able to sell it off and the sooner the government will have it out of its hands the better off we will all be.

I am mindful of transportation and mail delivery in the isolated areas. More and more the sense of isolation is setting in. When people are paying $700 for a return trip to Ottawa and $560 for a return trip to Toronto, we can imagine what kinds of demands that makes on people. They have to fly. Heaven forbid, they can fly to Europe. They can fly to Asia just about as cheaply as they can fly from Sault Ste. Marie to Toronto or to Ottawa. That sense of alienation of the regions is growing and Canada Post is a classic example of that alienation.

We will be opposing Bill C-73 with as much vigour as we possibly can.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I pose a question to my colleague about the morale issue he mentioned.

The government has said that one of the reasons it wants to proceed with this bill is that it wants employees to have more of a stake in the post office corporation. It feels that if they owned some shares they would feel more proud of it and would be able to contribute more.

• (1605)

We have one of the last remaining large postal services sorting plant in Surrey North. Unfortunately we have been informed that it is to be closed and transferred to downtown Vancouver, to the riding of the minister of defence, as she evidently needs propping up. Two services are being closed and moved into the riding of the minister of defence against the recommendation of the GVRD, the city of Vancouver and surrounding municipalities. Evidently the polls are not too good for her.

That facility is a large postal sorting service. It is also one of the major depots for mail delivery. At least two or three times a month its employees get in touch with me complaining about personnel practices and harassment by arbitrarily reassigning work, harassment by arbitrarily upping the work loads or changing the routes on postal walks, and harassment of employees who are ill such as phoning their homes two or three times a day. Even after they have filed letters from psychiatrists saying that part of the problem is that they are under mental health stress and are having psychiatric problems but they are being phoned repeatedly and threatened that the documentation with respect to their illness is not proper and that their jobs are in jeopardy.

Attempts to resolve any of these issues are stonewalled. Grievances are filed are never dealt with. The union attempts to intervene to resolve some of these issues and they never happen. Employees are given assurances that this is going to take place and it does not take place.

In view of these facts there has been, at least in the postal services I am aware of, a deterioration in the morale of employees. Of course along with a deterioration in morale there is an increasing lack of communication between management and the employees. With the breakdown in communication there is increasing animosity.

The member has obviously had considerable experience with the post office in his area. Does he feel that the share concept is actually going to assist in improving the morale of the postal workers, or does he think better management practices would be more to the point?

Mr. Butland: Mr. Speaker, once in a while I am sure we are accused of exaggerating to make a point. However on this particular issue there is no exaggeration. What the member for Surrey North has said is absolutely true. I have shared those experiences. I think other members in the House right now would say the same has happened to them.

The morale is negligible. It is not a pretty picture. We have created villains of a group that is not guilty of anything. Many people regard them as malcontents and say they act inappropriately, do the wrong things and should be thankful for having wonderful jobs. The working environment at Canada Post is horrendous. There is no trust.

The hon. member talked about arbitrary reassessment. That is what it is, totally arbitrary. When people are ill they cannot have normal sick days; there is harassment. What is the goal in that? I am not sure. One has to wonder. What is the goal? Is it to make them sufficiently unhappy in the work environment that it is easier to reduce the number of staff?

I had a individual come into my office and say that he wanted out. I said: "You are only 45 years old", and he said: "I do not care. Whatever they offer me I am getting out because my mental health will not survive what they are putting me through".

• (1610)

These are true stories. Everything that is said is the absolute truth.

An hon. member: They will not get UI.

Mr. Butland: They very likely will not get any UI because of leaving their positions. I hope that is straightened out. It is a matter of trust. There is absolutely no trust between the employer and the employee. I have learned as well to completely mistrust Canada Post Corporation and its spokespeople.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, listening to this debate today has been an education for me. The hon. member for Sault Ste. Marie and other members have spoken in the House today about Canada Post and the experiences they have had in their particular ridings. I have certainly had similar experiences.

For a government and for a corporation that are trying to endear themselves to the Canadian public they are certainly not doing a very good job. The stories recounted by the member for Sault Ste. Marie are reminiscent of stories taking place in my own riding.

It is true that there is no trust between the employer and the employee. There is no trust between Canada Post and the public. There is no trust between the government and the public. Much of this has to be blamed directly on the government and, through its directions, directly on Canada Post.

The bill before us now contains the idea of sharing the wealth with Canada Post employees. It is nothing more than a smoke-screen for the proposal to privatize Canada Post. It is part of the slippery slope of privatization. For those people who do not believe Canada Post is to be privatized I simply want to cite a couple of quotes.

On May 1, 1992 an article in *The Ottawa Citizen* contained the following quote of the minister responsible for Canada Post: "Harvie Andre insisted that immediate privatization is not in the cards". He went on to state: "If I had to bet I would bet that in the next couple of decades you will see post offices being privatized all over the world. I would not mind seeing Canada first".

That is quite a statement. When the government makes that kind of statement we can rest assured that privatization is just down the road. After all, let us remember the words of the Prime Minister in 1985 when he stated: "Some people want to buy the CBC. The CBC is not for sale. Air Canada is not for sale". Air Canada was for sale. It has been sold. It is now a private company.

The bill today is simply one more step along the way toward privatization. It is a thinly veiled sham that the government is trying to put before us to hide privatization. In fact the minister responsible is really not hiding it at all. I remember the minister commenting a year or so ago that until we could get rid of more rural post offices, until we could get rid of more corporate post offices and until we could raise the profits of Canada Post there would be no privatization. Those were amazing statements.

The bill in front of us is supposed to help with employee relations. What will it do? It will allow the employees of Canada Post to buy 10 per cent of the shares of the corporation. Employees are not defined. We do not know exactly who the employees are. We do not know whether it is simply management or whether it is everyone right down to the person just hired yesterday. As well there is no indication of what kind of shares the employees will have once they get them. We do know they will not be voting shares.

If a government is supposed to have confidence in its employees and is to sell them 10 per cent of the shares then we would think they would be given voting rights with those shares. It is only 10 per cent, but no, they will be non-voting shares. Will they get dividends from these shares? There is no indication as to whether they will or not.

• (1615)

The fact is that Canada Post has made a profit for three of the last four years. If one is a shareholder in the corporation, then one expects to get some dividends, but no, there is no indication of that. Chances are, if I was to make a guess, there will be no dividends from those shares.

Canada Post and the government did not even consult with the union as to the sale of these shares. There was no discussion or consultation. There was just an arbitrary decision to sell these shares.

If Canada Post and the government wanted to see relations improved with these employees then something should be done about the grievances that exist in Canada Post. I was amazed, as were members in my caucus, to discover the number of grievances that exist in Canada Post. People in Canada might think maybe there would be 1,000 or 2,000 grievances. No, there are more than that. There are more than 10,000 grievances. Are there 20,000 or 40,000? No. There are only 50,000 employees in the whole corporation, but there are more than that many grievances. Double it. There are 100,000 grievances outstanding against Canada Post. That is almost two grievances for every employee who works for Cana-

da Post. It is unbelievable. Those grievances are backed up for years.

If Canada Post wants to improve relations with employees, then why does it not start to look at some of the grievances and start removing some of the reasons for those grievances in the first place? There cannot be 100,000 grievances that have no merit. I doubt it very much. I am sure there are some grievances that do not have as much merit as others, but there cannot be 100,000 grievances against Canada Post that have no merit.

This idea of improving employee relations is simply nonsense. It simply makes it that much easier for the government to privatize Canada Post when the time arrives.

In talking about relations with the public, I think it was last year when Canada Post had a strike. Canada Post employees offered that during the strike they would still deliver unemployment insurance cheques, Canada pension cheques and so on, but no, the government would not allow that. What it did was to spend millions of dollars to set up these depots. We had the case of seniors and disabled people being forced to stand for up to two hours in sweltering heat waiting to receive a cheque at a depot. In many instances when they got to the front of the line they were told: "Sorry, the cheque is not here so come back tomorrow". That does not endear Canada Post to the public.

My riding of Moose Jaw—Lake Centre, like other ridings across the country, is largely rural. We have had a number of rural post office closings. In fact, in the last five years across this country, 25 per cent of all the post offices that existed prior to that time have now been closed. That is one in four.

Many times these post offices were closed not because there was a need to close the post office or because the post office was not being used, but simply because the post office had been provided with what they call a natural opportunity. This means that either the postmaster or postmistress had died or retired or something of that nature.

When these events occur, Canada Post will roll into town and have a public meeting. It will tell the people at the meeting that it is here to improve their service. I have been to a number of them in my own riding. It is going to improve the service. When the people in the community say that they are happy with their service, then Canada Post simply says: "No, we have to close the post office, but we are going to improve your service".

What happens is that they tell them that they are going to consult with them. There is no real consultation. The only consultation is that they have the opportunity of setting up a retail postal outlet which means a post office being placed in a store somewhere or they are going to have mailboxes and that is their choice.

• (1620)

In my riding the communities have naively thought that they could deal with Canada Post and work with it. I know of one situation in my riding where the people in the community said: "Look, we will give you a free building. We will buy the building and give it to Canada Post. Canada Post can keep the building as long as it operates a corporate post office out of it". There was no deal.

We had another situation where people in another community said: "Look, we will give you one of the staff people from our town hall who can work with Canada Post when it is busy". There was no deal.

We have had situations where people in the communities have said: "Look, we will take less service. Cut the hours down and cut the number of days down". There was no deal.

Yet Canada Post will tell these communities that the reason it is closing its post offices is because it is not making money. It will not tell you how much that community brings in. It will not tell you how much the post office in that community costs, but it will say that it has to close it.

I know that Canada Post wants to make a profit. Let us say it said: "Look, we have to make a profit and we would like to keep this post office open and we would like to provide the best service we can so here is what the bottom line is in this community. It brings in *x* thousands of dollars and it costs *x* thousands of dollars". One would find a lot of communities willing to work with Canada Post.

We know we are in debt in this country. We know we have an annual deficit that has not dropped in the last nine years or perhaps it marginally dropped in the last nine years. The people in the community will say: "Let's

work with Canada Post to help Canada Post provide a service". That is fair but Canada Post will not give any details.

This idea of saying that it wants to provide a better service is a myth. In fact it is a lie. It is not true. The fact is that Canada Post wants to privatize as many corporate post offices as it can in this country and in doing so make it easier to eventually sell that corporation.

I want to talk a bit about the city of Moose Jaw. In the city of Moose Jaw—

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. government House leader.

Mr. Andre: Mr. Speaker, I apologize for interrupting the hon. member. I just wanted to formally designate tomorrow as an allotted day or supply day.

Mr. Laporte: I thought the minister was going to rise and tell me that things would not change in Moose Jaw and that the post office would remain. I am disappointed.

I wanted to comment about the city of Moose Jaw. In the city of Moose Jaw we have our corporate post office. It is viable and it is running. However we have been advised, not by the officials at Canada Post but by other people who have found out information and let us know, that the post office in Moose Jaw is going to close and the wicket service will be gone. We have not heard that announcement yet. If one calls the public relations people at Canada Post they will deny it. They will say that there has been no decision made yet. However, that is nonsense because the decision has been made.

The fact is that not only is Canada Post going to close the corporate post office but it is going to close all the sub-post offices that exist in Moose Jaw. One of them has existed in Moose Jaw since 1928 and it is going to be closed. Where is it going to go? It is going to set up four retail postal outlets in the city of Moose Jaw. This has not been announced publicly yet but that is what the plan is. Where are they going to go? They are going to go to places like Shoppers Drug Mart and Bi-Rite Drugs. I have nothing against Shoppers Drug Mart and Bi-Rite Drugs except that I find it strange that these retail postal outlets find their way into these national chains.

An hon. member: National or international?

Mr. Laporte: In many cases they are international chains. The fact is that some of these sub-post offices have long been in business. One in particular has been there since 1928. It is in Carr's Confectionery in Moose Jaw. Mr. Carr opened a confectionery business in the early twenties and worked hard at that business. His son has taken it over and his son is now running that confectionery.

• (1625)

These are people who live in the community, who contribute to the community and whose children go to school in the community. These people put a lot of hours into their work and they put that money back into the community. It is a small business, a good small business, and it provides a good service.

It is denying those small businesses a chance for a post office. It is already a sub-post office but it is going to franchise them all. It is going to deny those small businesses a chance for the franchise and give it to a national or international chain.

This is a government that is supposed to be for small business. This certainly does not bode well for small business. If a government wants to assist small business then this is not the way it should go about doing it.

I find it ironic. I must say I find it insulting that when one phones up Regina and talks to the Canada Post folks they say there have been no decisions made yet. No decisions have been made yet, but the ripples are there. I have talked to people who own the sub-post offices. I have talked to some of the union people. I have even talked to people in Canada Post who will talk to me and who have told me privately that this is what is happening.

If Canada Post really wants to improve its relationship with the employees of the corporation and with the people of this country then it had better take a new attitude.

First of all, it should be honest with Canadians. If it is going to privatize the corporation then it should come out and say that the objective is to privatize this corporation and this is the plan for privatization. Let the people know what is going on. Do not give these stories that are totally unbelievable.

In fact when Canada Post is confronted with the facts, it still denies it. Oh no, there is no decision made yet. Be honest with the people.

The other thing is to not be so arrogant. I have been told by people who in trying to save their post office talked to Canada Post and were told: "You can always complain to your MP but it will not do any good because we are going to do what we want anyway". Thanks a bunch.

That is an arrogant attitude that I find personally insulting and I know the people in those rural communities find it insulting. If Canada Post wants to improve relationships with the country, it is going about it in exactly the wrong way. Until it improves relationships with its employees and until it improves relationships with the people of this country, it is going to find itself being kicked in the shins like it has been today.

In closing I want to say that Canada Post was here to provide a service to the people of Canada. That was its original intent. It was to provide good mail service. That is not its objective today. Its objective is purely and simply to make a profit. It may step on people in the process. They may be Canadians who receive mail, whether they are in small businesses and have run sub-post offices for some time or for a short time, or they may be employees in its way. That is irrelevant. It may also be an MP who tries to deal with it. However Canada Post is going to "do what it wants", to quote its words.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I would like to ask my colleague a very simple, straightforward question. Why has Canada Post lost the trust of the consumers and the employees to such a great extent in Canada?

We do not find that any part of the community or any of its employees think of it as a service that contributes to Canada. I wonder if my colleague can tell me why he thinks it has lost its trust to such an extent all across Canada and not only here.

Mr. Laporte: Mr. Speaker, the loss of trust that Canadians have in Canada Post did not happen overnight. It took a lot of effort and it took a lot of doing by Canada Post. It was done in a number of areas.

• (1630)

With respect to the employees, that lack of trust has come about as a result of the inability or the unwillingness of both the government and Canada Post to deal honestly and openly with the employees. If there are 100,000 grievances in a corporation that is an awful lot, particularly when there are only 50,000 employees. The employees have lost trust because of Canada Post's refusal to deal openly with the union.

There was no consultation with the union on this bill at all, no consultation on how services could be improved for the employees or how to better improve the lot of the employee. There was no discussion at all.

With respect to rural Canadians, it has done a very good job of losing trust. It could not have done a better job if it had tried to lose trust with rural Canadians, because it has closed 25 per cent of all rural post offices in this country in the last five years without consultation with rural Canadians.

In fact it is the opposite. It comes into a community and tries to tell it how its service will be improved. People actually laugh at these meetings because Canada Post comes in and says it is going to improve service by closing the post office. People simply scratch their heads. Sometimes in these communities there will be 150 to 200 people at a meeting wondering what is happening to their post office.

They came to the meeting having received a letter from Canada Post in the mail inviting them to a meeting on this particular night to discuss the future of Canada Post. But they are not being consulted, they are being told. They are being hoodwinked. They leave the meeting feeling bitter and confused. That has done an awful lot to hurt the reputation of Canada Post with rural Canadians.

The other way is through public relations. There are people at Canada Post in management with whom I have dealt who are very good. I do not want to label all of them. However, there are others who really should not be in PR. I do not know where it hires some of these people but it should not even interview them as far as public relations is concerned. They are arrogant and they are not helpful. They simply tell people who want to save their post office to go ahead and call their MP. It will not do any good because it is going to do what it wants anyway.

That has also hurt its reputation. Canada Post now has such a poor reputation in Canada that it is going to take a long time to build it up. It is obvious that neither Canada Post nor this government really have any concern about Canada Post's public relations with Canadians. If they did they would not act the way they do. This bill would not have been brought in, and certainly not without consultation with the employees.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I am wondering if the previous speaker has any information as to whether Canada Post has any standards when it contracts with a private operator in a retail outlet.

It was mentioned that there have been difficulties. There was a situation in my riding of Surrey North in which one in a large chain of drugstores had a postal outlet which had been there for a number of years. Then a new owner came in. The drugstore changed hands. Nine women were working there, some of them had been working there for 10 years.

Immediately the new owner arbitrarily started to reduce their wages, reduce the number of hours and change the seniority pattern in terms of working of shifts and was then surprised when the women got hold of one of the more progressive unions and started a unionization drive. They were on strike for nearly 18 months.

That big drugstore chain made a decision that it would shut that whole drugstore down rather than ever agree to allow a first contract with those employees. These were basically postal workers.

• (1635)

Does the member know whether the postal corporation when it is putting in postal outlets in retail stores has any standards about working conditions, wages and the normal things that an employee would expect?

Mr. Laporte: Mr. Speaker, I do not believe Canada Post has any real standards at all. Not only is that true with employees but there is a scenario being played out in Moose Jaw right now that really astounds me and makes me wonder whether Canada Post has any idea of what it is doing.

There is a business called Ottawa Real Estate which has been in Moose Jaw since 1909. This business is a well-established business and has been in the same family for years. The present proprietor, Glen McRitchie, is a very outstanding and well-respected businessman in the community. He has a sub-post office in his store but he has been advised that the sub-post office is going to close and he will not get the franchise.

That post office is the only post office on Main Street. East of Main Street there are a number of senior high-rises. He put out a petition and in just a few days had over 1,200 signatures of people who said they would like to use the post office. When he called up Canada Post it said that his post office was not wheelchair accessible. He said it was, that there was a four-foot door and a ramp which people ride up in their motorized chairs to get service.

Canada Post then said that he could only give 300 square feet. He said he would give them 1,000 square feet. It replied that his hours were not acceptable. He then said he would open his business for postal business any hours that Canada Post asked him to. It accused him of not putting up a sign. He said he never said that he would not put up a sign. He would put up a sign. Furthermore, he said that the post office in Moose Jaw is the only bilingual post office in the city and that people from CFB Moose Jaw—and there are a number of francophones who live in CFB Moose Jaw—come to use his post office. Canada Post said it is going to close it. That is unbelievable.

Since Glen McRitchie took over the post office the business has improved and profits have gone up for Canada Post in that area, and yet it is being closed. This is a situation in which the business has been in Moose Jaw since 1909, it is wheelchair accessible, it is bilingual, it could provide more space if Canada Post wanted it, it would put up a sign and stay open any hours Canada Post wants it to and yet Canada Post wants to close it. In addition, it is the only post office on Main Street.

If Canada Post has standards I do not know where they are. They must have been lost or have disappeared because nobody seems to be following them.

The Acting Speaker (Mr. DeBlois): Resuming debate. Before giving the floor to the hon. member, 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 Mission—Coquitlam—Breast Implants; the hon. member for Saanich—Gulf Islands—Northumberland Strait Bridge; the hon. member for Winnipeg North Centre—Manitoba;

the hon. member for York West—Toronto Economy; the hon. member for Northumberland—Somalia.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, as my colleague has just been saying, this debate on Bill C-73 is a debate about the service provided to Canadian citizens by Canada Post.

Over the years Canada Post has been one of the proud institutions of Canada and has provided the kind of service that everybody thought could not be duplicated anywhere around the world and was not duplicated anywhere around the world. The people who worked for Canada Post were a proud part of that organization. They know that the kind of service they used to provide is still possible. However they also know that there is not much chance that the present Canada Post is going to provide that kind of service.

• (1640)

They also know that the employees of Canada Post no longer have any trust, nor do the consumers have any trust, in the ability of Canada Post to provide the kind of service they have learned to expect. They now no longer expect it.

This bill is the first step toward complete privatization. Privatization has been going on for quite some time. The privatization has been of the outlets until now, and a certain number of the post office buildings and so on in many towns and cities.

The city of Prince Albert has a population of something over 30,000 people. It does not have an official corporate post office. It has a series of franchises that are supposed to provide the same kind of service but only marginally do so in many cases.

This bill is the first step toward complete privatization. We know it is privatization because we have models before us. The steps started early. They started a long time ago with the Liberal government of Pierre Trudeau which transformed the corporation from an agency of the government to a Crown corporation.

Now we are going the next step. We are going to sell shares in this Crown corporation. Granted, at the beginning these shares are going to be available only to people who are employees of the Crown corporation.

If we cut down the population of the employees by two-thirds in the last five years there are not too many of them who trust they will have a job within the next while, so why should they consider buying shares?

Then there is the next step after selling or providing shares. If members read the bill they will find that there are two steps in this. There is the decision to make the shares available. This means that the government has to take the assets of that company and divide them into so many parts, with each one represented by a share.

Then it sends 10 per cent of those shares to the employees and the other 90 per cent is for the government to keep. How long does it keep them? There is the question. How long will it keep them? Next year the government might say: "Aha, now that we have made this corporation appealing to the private sector and since we have downgraded the service to the extent that Canada Post does not have to provide this kind of service any longer, we can provide service to parts of Canada that will be adequate and make some money on it".

Canada is a big country. There are thousands and thousands of miles between communities in some cases. There are many small communities between the large communities and many small communities before those.

What we believe we can have in Canada and what we understand that we can have is the same kind of service in every one of those communities. We believe that Canada Post should be able to take the mail to every community. We recognize that we will only get it once a week in some places. Those who have lived in northern Canada will realize that sometimes they get it only once a month. Canada Post was delivering to their community but that is no longer true. Canada Post is not the same as it was before.

As I said, this is a step toward privatization. The model that we can point directly to is Air Canada, and that has been well documented here this morning and this afternoon. With Air Canada, the first step was the division into shares that could be sold to the employees. We were told that Air Canada was not for sale. We know what happened there.

• (1645)

Canada Post has many problems besides the selling of its shares. This bill does nothing and in fact it is intended to do nothing about any of the problems which Canada Post has. The self-proclaimed pit bull terrier that a member was talking about a little earlier said that this

will improve employee-employer relations. Since Canada Post is offering shares, it suggested that since the employees own part of the corporation maybe they will work a little harder and the service will be a little better.

Over the last 10 years Canada Post has undermined the trust of those employees to such an extent that offering them 10 per cent of the shares, which are valueless unless they can get a dividend—and it seems unlikely that they will get a dividend—does not sweeten the pot in the least bit. Consequently there is unlikely to be any improved labour relations. The very fact it did not ask the employees whether they wanted this to happen is a good indication it did not even intend to improve labour relations.

The employees ask why would they buy the shares if with the shares there is not some kind of job security. If this bill goes through and the shares are available to employees it does not mean that if they have a good chunk of shares they are guaranteed a job. The next day or the next week you may be laid off. No security goes with these shares.

I started my speech by saying that the debate was about service. It is obvious that this bill is not about service and that is why any self-respecting member in this House would oppose it. The post office is something that every one of us has in our community. It has been downgraded to the extent that none of us can be proud of the fact that we represent a government that has a corporation that gives this kind of service to a community.

It is ironic that this bill is suggesting that the company give its employees an opportunity to buy into this company. First of all it is losing money and is laying people off as quickly as it possibly can. Every privatization of an outlet reduces the number of employees that Canada Post has.

This process of privatization of outlets, if you talk to Canada Post, is done by consultation. Like my colleague from Moose Jaw, I have been there. This government has given the term consultation a bad name. It asks the community to come forward and then decides what should be done about this particular post office. The citizens of those communities have been duped before. They know they are going to be duped again, but they go to the meetings. They have a certain amount of trust in government. They go. They have municipal governments and they have provincial governments and they have a federal government that they can depend on to give them service. The government will tell them they have two or three alternatives.

• (1650)

I am talking now about a meeting that I went to not too many months ago in the small town of Tway. I attended other meetings in the small town of Hoey and one in Cudworth. They are small towns in my constituency. In each of those cases citizens were told they had three alternatives. The first was that, they could have a business outlet where they could have a franchise post office. It does not pay very much for that and in many of those cases not one of those stores or one of those businesses really wanted the post office. They would take the post office because it had some value, because people have to come there and it is a service to the community that they as good citizens feel they should give. The second was that those green boxes beside the road. The third was the post office is closed and the citizens would go to the next community to get their mail and their service.

Before these Canada Post officials came, they had already decided that what this community was going to get was a franchise post office. They come before the community and tell a few lies about how good it is going to be after they have privatized this post office, how much better the service is going to be and then they proceed to tell the community what they had intended to do all along. They tell the community it has a choice: number one, number two or number three. The community is going to choose the least offensive of those three alternatives, which was what was intended all along. In many cases it does not reduce the cost to Canada Post.

That in itself is another complaint that I think we should air here today and should be aired as often as possible. The value of service in a post office is not valued by the number of pieces of mail that is handled. We did a two-hour check in one of the post offices in my region. It sold 100 stamps and handled 2,000 pieces of mail. That does not sound like a very good paying proposition but we were told it was better than usual. That sounds like a losing proposition except that every one of those 2,000 pieces of mail had been paid for as well. That post office was told that it was not making any

money because it was not selling very many stamps. It is very unfair.

At one of the meetings that I attended the Canada Post representatives said they had seen no reduction in service in any of the post office changes that they had made in my area. That is a direct lie. I am a farmer. I used to have rural delivery to my door. I no longer have rural delivery to my door. Is that not a reduction in service? When I had rural delivery to my door the service I received stamps, parcels delivered to the door and even some good companionship with the mail carrier as he came around a couple of times a week. Now I drive 20 miles to get my mail and any other postal service I need.

The little community of Brockington in my constituency had a small rural post office. Now it has outdoor green boxes. Is that not a reduction in service? People have to go to Melfort, about 18 miles away, to get service and stamps.

Down the road a little way is another small town where the service was reduced from eight hours a day to twenty hours a week. In other words, the service was cut in half. The Canada Post official stood before the community and said no community in this area had its service reduced. Is the reduction of service from 40 hours a week to 20 hours a week not a reduction in service? We are being told that there are no changes in the post offices and no reduced services.

• (1655)

Let us go back to the consultations I had places like Tway, Hoey and Cudworth. The communities were told they would have something to say about what they got. They did not. In the end they were told what they would get.

My colleagues from every party across the country can tell you exactly the same thing. I know that members of the Conservative Party faced exactly the same kind of treatment from the Canada Post officials in their communities as we did in ours.

This kind of manipulation by civil servants is straight arrogance. They are saying to the people in my communities that they are not smart enough to know what is good for them, they are not smart enough to know that the post office is making money. These civil servants are telling the people that the post office is not making money. They will lie to you and you will not even know that you are being lied to. It is straight arrogance and it is treating the people of Canada in a way that they should not be treated.

It is a treatment of people in a way that we as members of Parliament abhor and should do something about. Passing this bill is not doing something about it, it is just keeping it going on and on.

A corporation's survival is dependent upon the trust that the consumers and the employees have in it. Most people now use the post offices as little as possible, partly because the price of a stamp has gone up but also partly because they no longer trust the post office. They use the telephone. They use the courier service. They no longer use post offices as much as they used to. That is part of the reason that Canada Post is not doing the kind of business which puts it in a category that would allow it to make money.

What we should be doing here is throwing out this bill and taking a look at the kind of service that Canada Post should be giving to Canadians. We should be putting before this House and the people of Canada the kind of corporation that we can be proud of, that they can be proud of and that the employees of Canada Post can be proud of.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the government said that it is proceeding with this as one of the things to improve morale within the postal service. I would like my colleague's comments on the experience that I just had in Surrey North with the government's treatment of postal workers.

For the last 18 months there have been discussions about closing the postal sorting service and moving it to Vancouver. The employees and myself were assured that this was not going to take place as the Vancouver post office was structurally unsound.

About four weeks ago, at seven o'clock in the morning, a letter was delivered to my Ottawa office announcing the closing of the Surrey post office. Along with that was a brief notice which said the postal corporation was going to keep employees involved and knowledgeable about the closing. Three hours later, at 10 o'clock that morning, I telephoned the union to talk to them about the closing of the office. Much to my surprise the union and employees had not been informed. How did the 100 employees know their jobs were gone? Using a speaker phone I told them that three hours before the postal corporation had told me in writing that the post office—

• (1700)

Mr. Langlois: Mr. Speaker, I rise on a point of order. Pursuant to Standing Order 26(1), I move that the House continue to sit beyond the normal hour of adjournment for the purpose of continuing consideration of Bill C–73.

Mr. Karpoff: Mr. Speaker, on a point of order, I was on my feet and speaking. I think that motion can only be properly put when the member has the floor of this House.

An hon. member: A minister can take on that.

Mr. Karpoff: He is not a minister. That motion is out of order. Five o'clock has now arrived and I request that the Speaker adjourn the House.

The Acting Speaker (Mr. DeBlois): The hon. member is right but the Speaker does not know what point of order has been raised before understanding the hon. member.

[*Translation*]

To move this kind of motion the mover must have the floor, which is not the case now. Therefore this motion is inadmissible according to our Standing Orders.

Since it is after five o'clock, pursuant to Standing Order 30(6) the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

INTERNATIONAL LAW OF THE SEA

RATIFICATION OF CONVENTION

The House resumed from Thursday, December 3, 1992, consideration of the motion of Mr. Caccia:

That, in the opinion of this House, the government should, for the benefit of Canadian fisheries, urgently take the necessary steps to ratify the International Law of the Sea, and urge other nations to do so in order to reach the 60 signatures required for the Law of the Sea to come into force.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I would like to speak in favour of the motion introduced by the hon. member for Davenport, an international statesman for sustainable development if I could give him that title. By introducing this motion he demonstrates that knows what he is talking about.

Canada boasts the longest coastline in the world, 151,489 miles, and the second largest undersea shelf, 2.5 million square miles. Yet we still have not ratified the Law of the Sea.

It is ironic and quite hypocritical of Canada to withhold ratification considering we signed the document in 1982 along with 119 other countries. The hon. member for Davenport tells me that as of March 1993, 56 countries will have ratified. All we need is four more countries and it would become law.

Canada worked very hard to bring many of these countries to the bargaining table in order to secure, among other things, protection of the ocean environment and sovereignty of our coastal waters.

It is also worth noting that some of Canada's best and brightest diplomats dedicated their careers to the signing of this treaty. Now, more than 11 years after the fact, Canada's best interests still lie in the ratification of the Law of the Sea.

This is a highly complex treaty, yet it affirms three fundamental principles. Many Canadians can relate to the first principle, which is the affirmation of our sovereign rights to the waters along our coastline. In the past Canada has been forced to take a number of unilateral actions to protect our rights, often when other countries infringe on our territory or threaten our environment.

For example in 1969, the American supertanker *Manhattan* sailed through our northwest passage without Canadian consent or notification. What if this giant oil tanker spilled her cargo all over the Canadian Arctic waters? Who would pay for the initial clean up? Who would compensate native peoples for ruining their lifestyles for generations, if maybe not for life?

• (1705)

Canada did respond unilaterally when the Trudeau government brought in the 1970 Arctic Waters Pollution Protection Act. This action was not welcomed by the international community, particularly by the United

States. However, in the wake of the environmental catastrophe caused by the 1989 *Exxon Valdez* oil spill in Alaska I think the Liberal government showed considerable foresight over 20 years ago.

In addition to the rights we claimed in the 1970 Arctic waters act the Law of the Sea acknowledges the 200-mile limit Canada established to protect our fishing industry. Right now the 200-mile limit is customarily respected but the Law of the Sea would establish an exclusive economic zone, EEZ as it is known. It represents the highest long-term economic gain for Canada.

In addition to the economic gains, however, the economic zones would in effect make environmental protection a duty. It would place the responsibility on coastal states to clean up their act and treat our limited ocean resources with respect.

I would like to go on in greater detail but I must proceed to the second major principle of this treaty. That is to make some portion of the sea floor and the seabed part of the common heritage of mankind and to share these resources with all countries.

This part of the treaty recognizes the economic gap between the northern and southern hemisphere and the fact that developing countries must be given a shot at developing natural resources before more technologically advanced countries scoop up all the wealth first.

Over the last week we have had two important speakers. Today it was a doctor who has practised in developing countries and last week it was Mr. Huc, the author of the report *Human Development 1992*. These experts are telling us to permit these countries to stand on their own feet by allowing them to share in these resources.

For example the discovery of the so-called manganese nodules in the deep seabed, which are usually found thousands of metres deep and far beyond the exclusive economic zones of any one country, will some day allow lesser developed countries to also benefit from this enormous potential for economic growth.

I am quite aware however that our own Canadian mining industry, most of it land based, feels threatened by this part of the agreement. That is because these manganese nodules consist of large deposits of nickel and copper.

I find it difficult to follow the logic of this argument. Experts agree that once the Law of the Sea is ratified Canada will rank in the top five countries to gain sovereign control over more surface area and undersea territory.

Considering the enormous pressure placed on countries in the southern hemisphere to play economic catch up with the north to avoid a massive debt crisis and so on, it only makes sense to adopt a share approach to resource management. The Law of the Sea Convention would therefore serve as an invaluable and efficient instrument to facilitate ocean development.

Remember that we are talking about sharing, not giving away, precious resources.

Consider the economic cost of delaying the development of these types of mineral resources. Why tangle with the World Court in an unending series of resource disputes when the alternative is a rational and fair approach to ocean resource management?

The third major principle of the Law of the Sea pertains to the preservation of the seas and the rights of other states. With certain rights come certain obligations. Consider drift-net fishing and what can be described as nothing less than the wholesale rape of the high seas.

In addition to outlining the rights of states to fish, mine and navigate the sea we must also accept certain obligations to preserve and protect the ocean for future generations. Indeed the International Law of the Sea represents a constitution for the oceans, a means of establishing an international order above and below the sea.

I think the Law of the Sea should be an integral component of the new world order that the international community is talking about. Right now all the G-7 members, the most highly developed economies in the world, are refusing to ratify this treaty. Sadly this government has placed Canada among those nations that are refusing to ratify.

• (1710)

Now I know the game. This Prime Minister and this government are afraid to show leadership. They follow. They are waiting to see what the other G-7 countries will do. In international politics Canada should show leadership. Canada should be the first of the G-7 countries to sign this treaty. If Canada does that I think the other six

countries will sign right after. If that happens then this Law the of the Sea does become the law of the oceans.

It is time to take a leadership role and show the rest of the world that Canada is no longer the chicken of the sea. For the sake of present and future generations I encourage all members to support this motion. To the people listening to this debate, phone the member for Davenport and get a copy of this motion because it is so vital. I cannot stress this enough. When we talk about the new world order, this is part of it. This should be an integral component.

I congratulate the hon. member for Davenport for always looking into the future, protecting our planet not for ourselves but for future generations. Congratulations.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, once again we are debating the motion brought forward by the hon. member for Davenport which states:

> That, in the opinion of the House, the government should, for the benefit of Canadian fisheries, urgently take the necessary steps to ratify the International Law of the Sea, and urge other nations to do so in order to reach the 60 signatures required for the Law of the Sea to come into force.

The issue of the ratification of the United Nations Convention on the Law of the Sea, commonly referred to as UNCLOS, has been reviewed exhaustively in the previous two hours of debate in this House, on June 23 and December 3 of last year. It has also featured prominently on two other occasions: an opposition day debate on foreign overfishing on March 12 of last year and a special debate on May 7, 1992 on the UNCED which referred extensively to our legal initiative on high-seas fisheries at UNCED in Rio.

During these debates it has been repeatedly demonstrated that this motion subscribes to a simple but wholly ineffective solution to the crisis facing the Canadian Atlantic fishery.

The government's approach to the problem of foreign overfishing has been to seek a solution through practical measures of international co-operation. Ratification of UNCLOS at this time would do nothing in terms of practical results to resolve the overfishing issue. However slowly, significant progress is being made. Overfishing on the high seas is increasingly recognized as an international environmental issue.

In terms of control of fisheries resources, Canada already benefits from one of the most significant provisions of UNCLOS. That is the creation of the 200-mile exclusive economic zone, since this now forms part of customary international law. Indeed the foreign overfishing problem is related to fishing beyond the 200-mile limit so Canada would not enhance its control over this problem whether or not it ratifies the UNCLOS.

Further, it is widely known that the long-standing difficulties within the international community with regard to UNCLOS ratification concern not the control of fisheries resources but the seabed mining provisions. All industrialized countries except Iceland have serious concerns in this regard. Ratification by Canada at this time could well commit the Canadian Treasury to disproportionate financial obligations to the UN authority responsible for the exploitation of deep seabed resources.

Canada is actively engaged in the informal consultations with the Secretary General of the United Nations. It is carrying this out in order to resolve the problems concerning the exploration and the exploitation of these resources.

I would like to talk in terms of the fisheries and what has been done on that situation. Since the House last discussed the issue in early December, we have made important strides in the direction of solving the fishing problems.

Mr. Flis: Let us talk about the Law of the Sea. Protect our fisheries.

• (1715)

Mr. Belsher: If the hon. member opposite will just pay attention we will get to these points. First, the fisheries agreement with the European Community was initialled on December 17 and provides for adherence to the conservation decisions of the Northwest Atlantic Fisheries Organization, better known as NAFO.

Second, as a result of consultations with contracting parties to NAFO Morocco and Venezuela have agreed to withdraw their vessels from the NAFO regulatory area. Panama has fined several of its vessels fishing in that area and de-registered two. We have also recently held

consultations with Korea in which we urged that country to withdraw its vessels from the NAFO area.

Third, on December 22 the United Nations General Assembly adopted resolutions 47/192, formally convening the United Nations conference in straddling fish stocks and highly migratory fish stocks.

This conference will provide for the first time a forum to develop rules for the management of high seas fisheries in accordance with conservation and sustainable development principles within the framework for international co-operation established by UNCLOS. It will also continue to focus international attention on overfishing on the high seas, thereby increasing the pressure to stop this practice.

The conference will start its substantive work with a three-week session in July in New York after a five-day organizational session in April. It aims to complete its work before the 49th session of the General Assembly in the fall of 1994.

Canada is hoping that all countries with an interest in the sustainability of high-seas fisheries will participate in the conference and support a substantive outcome that gives concrete expression to the rights, obligations and responsibilities of states to conserve the living resources on the high seas.

Fourth, to begin to prepare the ground for a successful outcome at the UN conference Canada hosted a meeting of like-minded countries on high-seas fisheries in St. John's, Newfoundland from January 21 to 24. Over 50 countries attended this meeting, including Argentina, Australia, Chile, Iceland, Mexico, New Zealand, Russia and the United States, just to name a few of them.

The meeting focused on four discussion papers. There were three developed by Canada and one by New Zealand. As well, there was a comprehensive report on straddling stocks and highly migratory species, problems being experienced in various parts of the world.

The discussion papers dealt with the following subjects: (a) management principles for the conservation of straddling and highly migratory fish stocks on the high seas; (b) problems related to fisheries by states that are not members of the relevant regional conservation organizations or are new members thereof; (c) surveillance, control and enforcement on the high seas; (d) remedies; and lastly, (e) special problems of developing countries.

There was a consensus on the need for action on all elements addressed in the discussion papers. There was also a shared view that the UN conference must result in an effective regime of conservation and management for straddling stocks and highly migratory species.

By effective it was clear that participants at the meeting meant a regime that works in practice. Workability must be the essential criterion. Nothing less will do. This will require a political commitment on behalf of all states, including the distant water fishing states, to achieve solutions through the UN conference.

Fifth, Canada participated actively in an *ad hoc* informal group of experts which met from February 1 to 5 in Rome under the auspices of the Food and Agriculture Organization, FAO, to draft an agreement on the reflagging of fishing vessels to avoid compliance with internationally agreed conservation and management measures.

The group managed to agree on a very wide-ranging document which deals not only with the reflagging of fishing vessels but also with their initial flagging and with fishing by vessels flying the flag of states that are not members of relevant regional fisheries conservation organizations. The draft agreement would commit states accepting it to ensure that vessels flying their flag do not undermine internationally agreed conservation and management measures.

Deterrents provided by the draft agreement include mandatory registration of fishing vessels, their licensing to fish on the high seas on condition that they do not undermine internationally agreed conservation and management measures, and inspection and control by flagging in and flagging out states to avoid double flagging and changes of flag to undermine such measures.

There are enforcements by both categories of states, including penalties commensurate with the gravity of the offences, and hopefully an electronic information system centred in FAO but radiating to all parties to the agreement covering registered and licensed fishing vessels, those sighted committing infractions and the penalties imposed.

• (1720)

The member states of FAO will be seized of this draft agreement in the framework of its committee on fisheries which meets in Rome from March 15 to 19. If it commands a consensus the agreement will then be approved by the council in June and adopted by the FAO conference in November. Such a procedure would correspond to the fast-track approach that Canada has been pushing for.

While the results of the discussions in New York, St. John's and Rome which I have just described allow for a measure of optimism it is clear that over the long term much work remains to be done to make the most of the opportunities that have now arisen. These opportunities did not just happen by themselves. They were the result of hard work and singular dedication on the part of men and women in several coastal states, including Canada, who took on the responsibility of putting high seas overfishing on the international agenda.

I hope I have made it clear that, as is all too frequently the case, the opposition has seized on ratification of the Law of the Sea Convention as a simple solution to a very complex problem. Passage of this motion by the House would in effect endorse a facile gesture easily implemented but completely ineffective and potentially costly which would do nothing to alleviate the real problem of overfishing in the high seas.

I trust that the defeat of this motion will reinforce our common commitment to resolve serious crises facing the Canadian fishery by effective means and not through empty rhetoric.

Ms. Lynn Hunter (Saanich—Gulf Islands): Madam Speaker, I am pleased to rise in support of the motion of the hon. member for Davenport this afternoon.

I would like to draw to the attention of the House how timely this debate is in light of *The Fifth Estate* on March 2 exposing the gross practice of drift-net fishing off the Pacific coast and the complete abdication of governmental responsibility in addressing this problem.

The ratification of the Law of the Sea is only one step because it takes more than just signatures on a document. It takes government priorities and resources to enforce what is intended in the Law of the Sea. I see neither from this government.

It is very curious. Last summer in my province, when close to 500,000 sockeye salmon went missing from the Fraser River during implementation of the aboriginal fishing plan, a fish war erupted. Commercial and native groups were at each other's throats. Ottawa ordered an investigation by Professor Peter Pearse and the House of Commons fisheries committee conducted its own hearings.

However, when an offshore foreign drift-net fleet—those curtains of death that do not just take B.C. salmon but take everything—routinely takes between 250,000 to 500,000 B.C. salmon per year Ottawa says it is not a major problem and represents only .5 per cent of the total stocks. This does little to inspire confidence that the Department of Fisheries and Oceans is considering the $500 million salmon industry in British Columbia.

We must first ratify the convention on the Law of the Sea. We must do that but we must do much more. The member for Fraser Valley East says that as a result of ratification there would be costs to the Treasury but I just do not see the sense in that.

What we are talking about in my province and in his province is a $500 million industry that is at risk. It is his government's responsibility to protect it. Ratifying this Law of the Sea Convention is a minimum. It must be ratified. Then there are the enforcement and surveillance provisions to protect our salmon stocks, for which our tax dollars have funded enhancement programs. Our salmon stocks provide processing jobs, provide food fishery for native people and commercial fishery people, and a livelihood for both native and non-native people.

• (1725)

One becomes suspect at what the motivation of the government is in allotting so many resources to find 500,000 salmon in the Fraser River that had gone missing and yet alloting no resources when a drift-net fleet comes and takes our resource.

The Law of the Sea has been ratified by 56 nations. It only requires four more nations to ratify it before it becomes international law. I do not understand this government dragging its feet on this. Consider the cost to the Treasury in not ratifying this. It is just nonsensical. It is a $500 million B.C. salmon industry. There is no surveillance. The undercover unit from fisheries and

oceans has been disbanded and our resource is now being processed in Thailand.

A constituent of mine phoned me late last week in response to a story on *The Fifth Estate*. He said that he had notified fisheries and oceans three years ago that Canadian salmon was being sold in Germany in product of Canada tins, but was obviously canned in Thailand. Fisheries and oceans did nothing. When there is concern for all the salmon in the Fraser River the fish in the high seas count too.

At a very minimum I ask the government members to reconsider. I ask them to vote in favour of the motion of the member for Davenport and ask that we go on from the ratification of the Law of the Sea to protect our resource on both the Atlantic coast and the Pacific coast.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, just a few words in support of this motion by the hon. member for Davenport.

It is amazing, is it not, when we realize that there is no Law of the Sea. Every time we listen to an official of fisheries and oceans or of external affairs or a cabinet minister talking about the fishery, reference is made to the Law of the Sea. Well, there is no Law of the Sea. The Law of the Sea right now at this very moment is made up by a group of nations that want to catch fish or want to exploit a resource. In support of the hon. member for Davenport and what he is trying to do, let me point this out to the House and to the Canadian people.

After the Canadian fishing industry on the east coast had closed down fish plants and told fishermen to go home and stay there, 1993 opened with 14 factory vessels from Japan, licensed by the Canadian government, fishing 75 miles from the shore of Nova Scotia.

Mr. Friesen: For what?

Mr. Baker: For tuna. Not only that, but they had a quota for bluefin of five times what the Nova Scotians have. They have a quota until March 31 of this year for five times what Newfoundlanders have. They have unlimited quotas.

Of all of the tuna that is bought in the grocery store, albacore, yellowfin, big eye, skipjack, every tuna I can mention is unlimited by the Japanese fleet in January and February of this year and Canadian fishermen are sitting home and cannot get tuna licences. That is reality. That is the Law of the Sea today. There is nothing about conservation at all. The bluefin tuna is an endangered species today because of that. With all of the Canadian fish plants closed, workers are sitting at home and are getting a cheque from the government. They are not allowed to go out in a boat: "You sit at home and take a cheque, Mr. Man, you are not allowed to fish".

On November 27, 1992, while those fishermen were getting a cheque for sitting at home in the province of Newfoundland, there was a Russian boat 50 miles from St. John's, Newfoundland, catching redfish after we closed down a redfish plant. When I say "we" I mean that the Government of Canada closed it down. These were the very fish that those fishermen were not allowed to catch.

• (1730)

On December 10, 1992, after the first year of the moratorium in Newfoundland, there were two Danish ships fishing 80 miles from the Labrador coast for turbot with a 10 per cent by-catch of cod with no quotas shown on any sheet anywhere. Why? That is the law of the sea. That is the law according to the Department of External Affairs and the latest meeting it had in some fancy meeting hall in some capital across the ocean.

The Department of Fisheries and Oceans has evidence of massive dumping at sea this year, last year, the year before and the year before that because of the technology used by foreign vessels both inside our 200-mile zone and outside our 200-mile zone. Fisheries and oceans has evidence from the observers—because I have it—that shows 10 tonnes of fish dumped with practically every haul-back. When the gigantic nets are hauled over the side of the boat they are filled too much to get through the opening. They jam and then they have to let go of the cod in the end and dump everything overboard.

The Department of Fisheries and Oceans has the evidence of that year after year after year and even last year. It has the evidence of bribes being offered by foreign captains for somebody to look the other way. It has the evidence of fisheries officers being offered bribes by these foreign vessels. All those foreign vessels want to do is to take every last fish that is in the ocean and they have the technology to do it.

That is the incredible thing. They have the technology to do it. We do not have that technology. We do not have one factory freezer trawler in Canada, not one single factory freezer trawler and we do not want one.

There are 104 observers employed in St. John's, Newfoundland, there are 85 employed in Halifax, Nova Scotia, and there are a dozen in the Gulf of St. Lawrence. What are their jobs? Their jobs are to observe aboard a foreign vessel licensed by Ottawa, and the foreign vessel is a factory freezer trawler. There are 104 jobs in St. John's, 85 in Halifax and a dozen in the Gulf of St. Lawrence. They are observing aboard factory freezer trawlers with a technology that destroys every last thing in the ocean inside the 200-mile zone and outside the 200-mile zone. That is the law of the sea today.

The law of the sea today is that Canadian fishermen will sit at home because the Canadian government will not sign the Law of the Sea treaty that will put an end to dumping and put an end to this business of fishing on every spawning ground in the world. If one follows the Law of the Sea in every article it will talk about—in sections 63 and 64—the transborder stocks and the migratory stocks of fish. That is what the member for Davenport was pointing out to this Chamber the other day. Put an end to that.

We have it in the observer reports at the Department of Fisheries and Oceans today on 200 Kent Street on the tenth floor in a locked compartment. They are sealed away in a room so that no MP can see them and no provincial cabinet minister can see them. You, Mr. Speaker, are not allowed to see those observer reports. You, Mr. Speaker, are an impartial person in this Chamber but you are not allowed to see them. The member for Davenport cannot see them either. Neither can I nor the premier of Newfoundland can see them. He is not allowed to see those reports.

• (1735)

I have seen those reports. I have copies of them. I am going to expose them. Oh, yes. That is the Law of the Sea today. The Law of the Sea is a document in which nations came together and said that they would try to preserve the fish. They would stop this destruction of fish in their spawning seasons and on their spawning runs. They would stop dumping by all of these massive vessels in the Atlantic and Pacific Oceans. They would stop drift-net fishing. They would stop all kinds of things.

The United States of America to my knowledge has not signed that agreement. I would be willing to bet that all the nations that fish inside our 200-mile zone today in agreement with the Government of Canada and the Department of External Affairs have not signed it either. They are the law of the sea today. It is not on a piece of paper. It is in their quota sheets. That is the law of the sea. We want to get rid of it. We want to get rid of that law and replace it with the Law of the Sea that the Canadian government refuses to sign. The parliamentary secretary stood in this Chamber today and amid all of his gobbledegook that he went on with said it was going to cost us a lot of money.

There should be no limit to cost when we are talking about the conservation of our fishing resources. I hope that the government members will change their minds and vote in favour of this motion by the member for Davenport. It is worth the support of every member of the House and everybody in Canada. Only the government member are not in favour of what he has moved here today.

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I do not want to take part in the debate but I would like to point out that since the arrival of television in this House and after listening to my friend from Newfoundland, the debate has certainly deteriorated. Theatre has improved but debate has deteriorated. At any rate theatre is supposed to reflect reality and even this theatre that we have listened to and watched for the past 10 minutes has no reflection in reality at all.

Mr. Baker: On a point of order, Mr. Speaker. The hon. member was recognized to speak. He stands up and says that what I said was not true but he offers nothing, not one argument, to support what he said. I doubt whether he knows anything about the fishery at all and that is why he is not using his speaking time.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before giving the floor to the member for Davenport, I see that he wants to use the provision in the Standing Orders whereby the mover of the motion can have the right to reply last. I just want to remind him that in doing so, he will be the last speaker on this motion and will have at most 10 minutes. The hon. member for Davenport.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, since no one else wishes to speak I am very happy to be able to take the floor.

[*English*]

It is very sad that we could not hear from the member for Surrey—White Rock—South Langley on what he thinks about the Law of the Sea and whether he has any input to this debate because what we are discussing here today is of course the convention called the Law of the Sea. We are also discussing here today Canada's reputation in the world.

Canada was a pioneer in the time preceding the coming to life of this convention. Canada was among the nations that pushed very hard in the formulation of the contents of this document that finally saw the light of day in 1982. It was the brain-child of former Ambassador Beesley and it received substantial political support from the Canadian government at the time.

The step of signing it was taken by the Government of Canada very shortly after. Canada was one of the nations that signed this document immediately after it was introduced. We were among the first to launch it.

• (1740)

We come to the second step. A convention needs two steps. The first is the signature and the second is its ratification. Now that we are in the ratification stage we find Canada lagging, dragging its feet, and using arguments of the kind that we heard from the parliamentary secretary earlier.

We probably share the longest coastal area of all nations in the world. We are probably ahead of Australia. While we drag our feet as a nation other nations have gradually ratified it. It has now reached the point where 56 nations have ratified it. The world community is only four ratifications short of the convention coming into effect. We are that close. At this rate it looks very likely, unless the government changes its mind, that Canada will not be among the first 60 nations ratifying it or launching it. It is very sad.

Today we heard the parliamentary secretary talking in his speech about this measure as an ineffective solution. That is what he said in his speech half an hour ago. The parliamentary secretary was contradicting the Minister of Fisheries and Oceans who said on May 5 in Cancun on Canada's behalf: "The Law of the Sea outlines principles and measures that will give proper effect to the provision of the Law of the Sea Convention". The minister was representing Canada when he said that, and today the parliamentary secretary said that the law would be ineffective.

One wonders who prepared the speech. What is going on in the ranks of the government if a parliamentary secretary contradicts a public statement made internationally on the same convention only six months ago? What has happened in the thought processes of the government since May of last year? One wonders. Has it turned around? Obviously not. At least one would hope it has not gone bananas.

Three very strong aspects of the convention must be stressed again. First, by ratifying the convention Canada would ensure that high sea fisheries would pursue ecologically sound practices. Second, the convention would ensure a much better degree of maintenance of the ecology of the marine system in the oceans.

The member for Gander—Grand Falls referred to sections 63 and 64. It is all there for us to read. It is as simple as that. It is black on white. It is unbelievable the government would have the gall to say that this convention would be an ineffective solution.

Third, the convention would complete the protection of fish stocks within the 200-mile exclusive economic zone and probably permit us to manage better the straddling stocks, as others have already said.

• (1745)

One wonders conceptually what is standing in the way of the thought processes of this government. One can only suspect that there are very strong mining interests and that pressures have been exerted on the Government of Canada, and I suspect on the United States, by large multinationals such as Inco, Noranda and others urging that the convention not be ratified.

There are substantial interests related to seabed resources. For the life of me I cannot understand why sectoral interests must stand in the way of an overwhelming and all-embracing interest in the fish wealth of oceans which touches so closely the livelihood of many communities. We are talking of hundreds of thousands

of families and communities whose livelihood depends on fish.

Therefore the convention as such is much more than just introducing strong international law that is badly needed. It is a social and economic instrument of the first order. It is perhaps for the first time the international community coming together and saying that we must jointly manage our fish resources, properly. I suspect the reason for requiring 60 signatory nations to ratify this convention was to develop sufficient momentum, sufficient political will, and it is being developed.

This is a tragedy for Canada. We are not seizing the opportunity. We do not see meaning or the opportunity for Canada in ratifying it. All we can say is that we are using portions of the Law of the Sea that are convenient to us but we will not sign it because the Treasury Board finds it too expensive. This is the logic that we heard today and in preceding debates.

In other words we want to pick and chose. We want to do it where it is convenient for us but we do not want to carry the burden. Probably until now this government has subordinated Canada's fisheries interest to the interests that are being lobbied in Washington and in other capitals by the mining sector.

Canada cannot pick and chose. Canada must join the world community and ratify the convention sooner or later. It was our hope in the opposition that we could draw the government to do it sooner rather than later for the sake of our own reputation, for the sake of our own credibility.

There will be a preparatory conference in New York next April on the question of fisheries. There will be a full-fledged conference in July flowing from UNCED, the United Nations Conference on the Environment and Development. How we can go there without having ratified the convention and having credibility I do not know.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

[*Translation*]

Before the taking of the vote:

The Acting Speaker (Mr. DeBlois): Further to the adoption of the 24th report of the Standing Committee on House Management on Wednesday, April 29, 1992, the recorded division will be taken row by row, beginning with the mover. Then I will ask the other members who are for the motion and on the same side of the House as the mover to please rise. After that, the votes of those who support the motion and are on the other side of the House will be recorded. The votes of those who oppose the motion will be taken in the same order.

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

(*Division No. 429*)

YEAS

Members

Althouse	Anawak
Angus	Arseneault
Baker	Bélair
Black	Boudria
Butland	Caccia
Campbell (South West Nova)	Clancy
Crawford	Dingwall
Ferguson	Finestone
Flis	Fontana
Foster	Gagliano
Gauthier	Guarnieri
Harb	Heap
Hunter	Kaplan
Keyes	Kristiansen
Langan (Mission—Coquitlam)	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
MacLaren	MacLellan
MacWilliam	McGuire
Mifflin	Milliken
Mills	Nault
Nystrom	Peterson

Pickard	Proud
Prud'homme	Rompkey
Samson	Simmons
Speller	Stewart
Stupich	Tobin
Walker	Whittaker
Wood	Young (Beaches—Woodbine)—56

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bernier
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blenkarn	Bosley
Bouchard (Roberval)	Brightwell
Browes	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Charest	Chartrand
Clark (Yellowhead)	Clark (Brandon—Souris)
Cole	Collins
Cooper	Corbeil
Corbett	Côté
Couture	Darling
de Cotret	Della Noce
Desjardins	Dick
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Ferland	Fontaine
Fretz	Friesen
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Holtmann
Horner	Horning
Hudon	Hughes
James	Johnson
Joncas	Jourdenais
Kempling	Landry
Langlois	Larrivée
Layton	Littlechild
Loiselle	Lopez
MacDougall (Timiskaming—French River)	MacKay
Marin	Martin (Lincoln)
Mayer	Mazankowski
McCreath	McDougall (St. Paul's)
McLean	Merrithew
Monteith	Nicholson
Oberle	O'Kurley
Plourde	Porter
Reimer	Ricard
Richardson	Robitaille
Roy-Arcelin	Saint-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Thacker
Thompson	Thorkelson
Tremblay (Rosemont)	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Valcourt
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	White
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	
Winegard	Worthy—121

PAIRED MEMBERS

Hopkins	Masse

The Acting Speaker (Mr. DeBlois): I declare the motion lost.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

BREAST IMPLANTS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, it is rather tough to speak on an issue as important as breast implants with people leaving the House and all of the distractions.

The minister announced on January 13 of this year what most considered would be a ban on the further use of silicone breast implants. He announced that manufacturing would no longer take place and he notified the manufacturers that they would have to have valid notices of compliance for the sale of implants. Only with additional information will the department consider the reintroduction of implants. Is this really the case?

• (1835)

The minister also said that only in exceptional circumstances will women have access to silicone implants and only then on compassionate grounds. What guidelines will be used to determine compassionate? Will it be the persuasive words of the surgeon or the lobbying efforts of the manufacturers?

It should be noted that under the current regulations, physicians are allowed to request silicone implants on a case by case basis. It will be up to the department to determine the merits of the application of the doctor. Again one must ask: What guidelines is the minister using to determine the merits of the application? On what grounds will these applications be judged?

What we seem to have now is not a ban, but just one more bureaucratic hurdle for plastic surgeons to pass before they can use these silicone breast implants.

On January 13 the minister introduced his moratorium or ban on silicone implants. On January 15 in Montreal, within two days of the minister's announcement, the

head of the plastic surgeons in Quebec said that what we have is simply the requirement to do follow-up both by the doctor and the department. He said that any woman who wants an implant can still get one. Many plastic surgeons rely heavily on breast implants as it is a large part of their practice, and hence a large part of their income.

It would seem that we have more than enough evidence from women both here and in the United States linking silicone implants to a host of medical problems. While the minister's concern for those women who already have implants is no doubt sincere, why do we need trials based on new recipients of implants when an in-depth study of those currently with implants would provide the type of long-term data that the minister is seeking.

The more cynical among us could be led to believe that the minister is not willing to ban silicone implants outright because of the complaints of the plastic surgeons who rely on the implant business. Further study is no doubt needed into the health effects of silicone implants.

It would seem however that what we do not need is further study based on new implants. The problem is with those who have already had implants. It is those women on whom the minister and his department should focus their efforts. I would like to take this opportunity to further advise the minister that this issue is not dead because of the moratorium on implants.

There are over 200,000 Canadian women who are suffering from the effects or are potential sufferers of the effects of the implants they already have. We will continue to press the minister, first, for support for those women; and second, for some guidelines of what he means when he says that he will require notice of compliance prior to allowing implants on compassionate grounds.

We are advising the minister that we must have those guidelines as to what compassionate grounds mean. There is nothing compassionate about implanting an unsafe product into a woman's body.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I want to emphasize that the Minister of National Health and Welfare has continued to demonstrate his concern for women, especially in the action that he took on January 13 when he announced his concerns regarding implants. At that time the manufacturers were informed that they would have to submit additional scientific information to health and welfare before silicone gel filled breast implants could be reintroduced into the market.

Today there is an epidemiological study being done to assess the long-term effects. It is under way right now. The minister provided results of a major survey done among women in Canada with breast implants. That was also announced on January 13.

Further, in exceptional circumstances on compassionate grounds, on a one-by-one basis, silicone gel filled breast implants may be authorized for individual sale. As for the safety of the saline filled breast implants, manufacturers have been requested to supply health and welfare with the same information that is being submitted to the U.S. food and drug administration.

• (1840)

Now about the media reports regarding the risks from these implants, the infection rates resulting from their use is similar to that for all the other implants that have been utilized. Health and welfare will continue to review all the reports concerning all types of breast implants. We will take the necessary action.

Those steps announced by the minister last January are going to help resolve these particular questions. We will go into further epidemiological studies.

We are concerned and every person in this House is concerned. Indeed there are many women in Canada who do suffer from the problems with regard to losing their breasts through disease or a medical condition. They are foremost in our minds.

NORTHUMBERLAND STRAIT BRIDGE

Ms. Lynn Hunter (Saanich—Gulf Islands): I am pleased to rise again and bring to the attention of the House the problem with the passage of Bill C-110. This concerns the fixed link between Prince Edward Island and New Brunswick and the failure of the government to follow its own environmental legislation and provide an environmental assessment on the particular bridge proposal.

This matter has been raised a number of times in recent days and it flows out of my question to the minister asking that he provide an environmental assessment review process on this particular proposal.

This has generated a number of letters. I would like to quote from a letter dated February 9 which I received:

> Dear Ms. Hunter:
>
> Thank you for your comments in the House of Commons on the fixed link. I agree with what you said.
>
> Many, if not most islanders do not want this link. We cannot convince our own MPs that it is not for us. I believe they see it as a vote-getter, especially among the unemployed and the businesses hurting in the recession.
>
> Continue to support our no vote and encourage other MPs that it is not good for our area. A whacko scheme.
>
> Yours truly, Florence Graham.

So it takes a member of Parliament from British Columbia to defend the interests of a Prince Edward Islander. It really speaks to the kind of ridiculous politics that exists in this House, when the Liberal members of Parliament for Prince Edward Island will not do as their constituents ask on this very important issue.

Today in the House my colleague from Skeena also raised another important aspect of this whole sad story. He asked a question of the Minister of Public Works. He revealed that Mr. Alan K. Scales, who is the chair of Marine Atlantic, the federal Crown corporation that operates the ferry link between Prince Edward Island and the mainland, is the same Mr. Alan K. Scales who in January of this year swore an affidavit in the Federal Court of Canada Trial Division in support of the application of the Attorney General of Prince Edward Island.

This action is to further the interest of Strait Crossing Inc. and the fixed link. That is the firm which stands to benefit from the fixed link. That is the firm which has solicited the contract for the fixed link.

This is a situation where the federal government is pushing a $1.5 billion project that was rejected by the Federal Environmental Assessment Review Office in August 1990 when it said that the generic concept of a bridge proposal should not proceed. The government has chosen not to agree with that and it did a typical government routine. It went and asked another panel of experts what their opinion was. Lo and behold, it came up with the right answer.

What we see with Mr. Scales' involvement in this is a clear case of conflict of interest. It is another wrinkle in this whole sad story.

I am pleased to conclude my speech in the House tonight. But this is a debate that is going to be continuing, not just in Prince Edward Island but across Canada, when one can see the kind of contract that goes out from a billion dollar project and the people who are supporting it are the same people who stand to benefit from it themselves.

• (1845)

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am pleased to have this opportunity to put one or two pieces of information on the record with respect to the question which has just been raised by my hon. friend.

First of all, as many Canadians know, the proposal for the fixed link was put to an environmental assessment. Public hearings were held and the panel, when it reported, established criteria under which such a proposal would indeed be acceptable.

The panel was very concerned about the adverse affects which lingering ice would have on the environment and it was with that criteria in mind that the Minister of Public Works undertook his responsibilities to publish first of all the government's response to the panel and then to examine the feasibility of the fixed link thereafter.

As my hon. friend has just said, in January 1991 the government appointed an independent committee of ice experts to examine the effects of the bridge on the departure of spring ice. That group concluded that it would be possible to build a bridge across the strait that would meet the panel's ice-out requirements, as they are called.

I want to stress that there has been public participation in this process. It is an ongoing process. The government and the Minister of Public Works are very committed to ensuring that our obligations under section 33(c) and (d) of the Environmental Assessment Review Process guidelines are met. In addition, the matter is also before the courts and so perhaps any further comment on my part should be left to a later time.

MANITOBA

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I rise to continue an argument I have had with this government dating back to my first election about economic renewal and economic support for Manitoba.

My specific question arose from a conflict between the premier of Manitoba, the finance minister and the Prime Minister over the support provided by the federal government to the city of Winnipeg.

While it is not my job to defend the actions of the Government of Manitoba I thought that the incident indicated the degree to which Manitobans are frustrated by this federal government and the degree to which they would like to see a more co-operative attitude.

Starting over a decade ago Winnipeg was supported through a core area initiative. Subsequent to the signing of the second accord by this government there were many promises made that there would be a third accord. That has not taken place. Instead we have had a gradual decline in the quality of life and not only in the inner city. Poverty has spread into many older neighbourhoods throughout Winnipeg. Of course the plague of rural Manitoba is well known to anybody who follows the plight of rural Canada.

We keep asking the government these questions because there are things that can be done. There is a need for an economic plan, one of which touches upon the transportation needs of Winnipeg. It should address the international role that could be played by the airport and support for the rail system, the branch lines, making sure that if the two major companies withdraw from the branch lines across western Canada that we have an infrastructure left for someone else.

We have to deal with the port of Churchill which has a very proper role to be played in trade with northern Europe. We have to deal with the questions of research and development in Winnipeg, not only in the health industry but in other industries as well. We have to deal with the question of the cultural industries which on their own in a very lonely fashion produce some of the best works in North America, if not in the world. In fact the Winnipeg film group is world famous for some of its work.

These need the support of the federal government. As cutbacks go from one department to the other for reasons which members from Manitoba simply cannot understand, this province continues to be singled out: transfer payments, support for post-secondary education, support for health care, support for job training, support for aboriginal economic development, support for inner city businesses, support for new immigrants who are looking for English as a second language training. The list is lengthy.

The response of the government when asked a question in Question Period or response in debate is not to respond in a positive way, to pick up the phone and say we know your frustrations, we are trying to figure out what to do, this is the blockage, can you help. When you talk about partnerships in government you do not isolate people who are genuinely concerned about these issues. You try to find a way to get them involved. It does not have to be for public consumption but it can be just to see something happen.

Many groups from the inner cities come to me and say: "We do not want a public confrontation with the minister. We want someone to go to the minister to ask under what grounds he will solve this problem so that we understand what is going on".

The constant failure of the government to reach out to Winnipegers has caused a political alienation that will take years to recover from and years to reform. I continue this debate with the government because it is very important that a new government be formed which responds to the economic needs of Winnipegers.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am pleased to have this opportunity to respond to the question raised by my hon. friend because it is important to put some of this information on the record.

While my hon. friend spoke only about what the government was doing for Winnipeg I am sure he would not mind if I spoke about the province as a whole, because it is unduly restrictive to speak only in terms of the city of Winnipeg itself.

For example, Manitoba has 4 per cent of the population of Canada. However, the province of Manitoba receives 5.6 per cent of major transfer payments. If we look at total program expenditures, Manitobans actually received $5,039 in 1990 for every person in the province, which is in fact the highest total spending on a per capita basis anywhere in Canada.

In the area of agrifood spending which is so vital to all Manitoba including Winnipeg, although I fear some Winnipegers probably do not appreciate it adequately, $458 million on average has been spent in that province since 1985-86. In Winnipeg, $32 million for improvements to the international airport; air traffic control centre, $27 million; Boeing, $13 million; Bristol, $4 million; forgive me if I mention Ayerst in Brandon, $25 million; the Yellowhead Highway, $10 million; $68 million in social housing in Winnipeg; and The Forks, $12 million.

I know, Mr. Speaker, you will not give me adequate time to do justice to this but let me conclude by referring to the new virology lab which is situated in my hon. friend's constituency and for which I am sure he will show at the appropriate time the right amount of gratitude. One hundred and forty million dollars was spent on a very important lab which quite frankly was transferred there at considerable difficulty from Ottawa, with 242 full-time jobs located at that new site. My hon. friend would probably like additional time to express his appreciation for that very important addition to his own constituency.

[*Translation*]

The Acting Speaker (Mr. DeBlois): In all fairness to the hon. Parliamentary Secretary to the Minister for External Relations, who is here, I see that the two members in whose names the inquiries were made are not present. Therefore I must conclude this debate on the adjournment motion.

[*English*]

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 two o'clock p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.53 p.m.

HOUSE OF COMMONS

Wednesday, March 10, 1993

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADIAN NATIONAL RAILWAYS

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, last week CN Rail announced plans to lay off 33 per cent of its work force over the next three years. This announcement will lead to the loss of approximately 200 jobs in New Brunswick, 11 of which are in my riding of Restigouche—Chaleur.

Furthermore, there is talk of the possible abandonment of the CN line through northern New Brunswick.

[*Translation*]

I would like to express my complete disagreement with this approach. Over the past ten years, Canadian National has eliminated more than 2,000 jobs in my region, and it wants to eliminate even more. Other communities hit by severe cutbacks by CN received some kind of compensation. Although my region was promised compensation, CN has yet to deliver.

[*English*]

The government and CN Rail must maintain these jobs and the rail line through northern New Brunswick in order to guarantee the economic viability and development of both the region and the province.

I call upon the government and CN to immediately halt this blatant attack on rural Canada.

• (1405)

PEARSON INTERNATIONAL AIRPORT

Mr. Harry Chadwick (Bramalea—Gore—Malton): Mr. Speaker, I rise today to bring to the attention of members the plight of residents in my community who have lost faith with Transport Canada.

Residents in my community were extremely pleased to participate last year in the hearings conducted by the environmental assessment review panel studying expansion at Pearson airport. They were encouraged by the platitudes being uttered that Transport Canada and the airport's management were all for public participation and input. They said that they wanted to keep residents involved in the future of Pearson.

Unfortunately, the government wasted their time. The residents made impassioned presentations about the unbearable levels of noise around their homes. They told of violated flight paths and jets breaking regulations by taking off in the middle of the night. They made it clear that if Transport Canada wanted to listen they had lots to say. Sadly, they were completely ignored.

The announcement of more runways makes it obvious that Transport Canada never had any intention of listening to residents in my community. It seems clear that the pattern of abuse that the airport and Transport Canada have demonstrated to my residents over the years is only going to continue.

* * *

[*Translation*]

STATUS OF THE ARTIST

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, Bill C-7 respecting the status of the artist was adopted by this House on June 11, 1992 and received royal assent on June 23 that same year. Although the legislation has yet to come into force and is therefore not

being implemented, the government is very proud of its up-to-date legislation that recognizes the status of the artist.

Because of this situation, a number of major dossiers are now on hold. This is serious, because artists' associations cannot reactivate these dossiers until the legislation is officially proclaimed, without putting the interests of the artists in jeopardy. It is high time this government stopped congratulating itself and decided to act, because it is one thing to be well intentioned and pass legislation, but another thing entirely to implement that legislation.

* * *

[*English*]

FREE TRADE AGREEMENT

Mr. Girve Fretz (Erie): Mr. Speaker, free trade is working for Canada. In 1992 our merchandise exports to the U.S. surged to an all-time high of $122 billion, smashing the previous record of $110 billion set in 1990.

Every $1 billion in exports creates or maintains 15,000 jobs. Canada's exports to the U.S. increased by $31 billion in 1989-91, just after the Canada-U.S. FTA came into effect, compared to 1986-88.

According to the U.S. department of commerce, average monthly imports into the U.S. from Canada are up 25.9 per cent since the FTA, compared to the four-year period prior to the FTA.

According to Statistics Canada, 16 of 22 Canadian manufacturers increased their market share in the U.S. under the FTA.

Between 1988 and 1991 Canadian high-tech exports to the U.S. grew from $6.6 billion to $10.7 billion, which is a 63 per cent jump.

* * *

CROW BENEFIT

Mr. Vic Althouse (Mackenzie): Mr. Speaker, in its report made public yesterday the national transport act review commission recommended changing the Crow benefit from a transportation policy to a payment to farmers. That payment has already been reduced by 10 per cent for the next two crop years by virtue of the December economic statement by the Minister of Finance.

Is it the government's intention to phase out the Crow benefit? If so, what is the timetable for this phase-out? Those are the questions farm people are asking.

The government should make its intentions clear. Farmers want and need money at the elevator when they deliver their grain. The government's policy thus far increases freight rates and reduces transport payments, which means that the farmer pays more to receive less for his grain.

Tell me, how does that solve the farm income crisis on the prairies?

* * *

SEXUAL OFFENDERS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, recently an Ontario coroner's jury conducted an inquest into the horrifying sex slaying of Christopher Stephenson, an 11-year old boy from Brampton, Ontario. The jury produced a report which recommended that a law be established to allow sexually violent predators to be kept in prison beyond their court-imposed sentences if they are judged still to be a risk to the public.

When a sexual offender is nearing the end of his term, corrections officials should be permitted to assess whether there is a high likelihood of re-offending, and on the basis of that review decide whether the offender should remain in jail.

I understand that officials of the Department of the Solicitor General are considering proposals at this time. I would urge the minister responsible to listen to the concerns that so many Canadians have regarding public safety and introduce the appropriate legislation as soon as possible.

* * *

• (1410)

NOVA SCOTIA FISHERY

Ms. Mary Clancy (Halifax): Mr. Speaker, the fishing industry in Nova Scotia employs approximately 27,000 people, or 7.4 per cent of the work force in my province. Of this number, over half are employed in the inshore fishing industry. It is obvious that this industry is of vital importance to Nova Scotia.

This industry suffers from declining stocks and increasing processing capacity. The Liberal Party recognizes that declining stocks are the result of foreign overfishing and bad management of quotas both within and beyond the 200-mile limit.

Those who work in the fisheries in Nova Scotia simply want to fish. They do not want to rely on government assistance. The prospective loss of employment coupled with the potential death of their communities and their way of life has many of these people worried. Something must be done.

The government must move away from short-term solutions. Greater responsibility must be taken to ensure that fish quotas are stringently observed by all parties involved, and that includes foreign fishing vessels.

The people in the fishery in my riding want to know what the future holds for them, what is going to happen to their industry down the road, and what is going to happen to them next year. They need answers and they need them now.

* * *

COMMUNITY FUTURES PROGRAM

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I rise today to voice my concerns to the House and to the government regarding the renewal of various Community Futures programs.

As the House knows, many of these programs are about to wind down as their government support comes to an end.

I can speak best of the Community Futures corporation in my area, which is the Triple S group. This group is being recommended by the department to close down, not because it has failed but because it has been successful.

I find it strange that the department wants to fund failure but fails to support success.

I call upon the minister to review the applications of second generation Community Futures funding with the strategy of endorsing success and eliminating failure.

FOREIGN AID

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the latest government estimates contained many cuts. There are serious cuts to seniors, official languages, literacy and aboriginal programs.

Perhaps one of the cruelest cuts, which is often overlooked, is to foreign aid. With this particular cut contained in these estimates, $4.3 billion will have been cut from foreign aid over the last five years. Yet the government has reported that it is able to find $5.8 billion for helicopters.

This government has gone back on its promise to increase Official Development Assistance to .7 per cent of the GNP. It has now slipped to less than half of that.

The *Global Village Voice* reported the words of a Zambian woman. She said: "We are burying our children every day as if we were planting beans".

Priorities, priorities, what are the government's priorities?

* * *

MEMBER FOR MISSISSAUGA EAST

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I rise today to continue the education of my colleague from Mississauga East in the wake of her vitriolic attack on this government's commitment to social programs.

If I had to summarize this government's activities in one word, that word would have to be groundbreaking.

For the first time in Canada we had a government that took the initiative in the fight against AIDS, that recognized the unique and so very serious reality of breast cancer, that instituted tax reform to lower the tax burden of 90 per cent of this country's senior citizens, and that initiated a nation-wide panel to confront the ever growing crisis of violence against women.

I, for one, and the constituents of Simcoe Centre appreciate the government's efforts. In fact, over 2,000 of my constituents availed themselves of the opportunity I offered to contribute input to that panel. I wonder if my colleague can say the same.

The presence of violence and poverty in Canada is a tragedy. However, as one who is deeply concerned about social issues I would hope that in the future my colleague from Mississauga East might refrain from exploiting the disadvantaged in Canada to make partisan statements. Her constituents and all Canadians would be better served if she offered constructive solutions rather than venomous, slanted attacks.

* * *

[*Translation*]

LANGUAGE MINORITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Supreme Court of Canada has twice confirmed the right of language minorities to manage and administer their own educational institutions.

Despite these two decisions by the highest legal authority in this country, some provinces are still dragging their feet on a matter of elementary educational justice that was an accepted fact nearly 12 years ago.

Since apparently these rights are closely linked to federal money, it is time the federal government sat down with the provinces, which have jurisdiction over education, and that a decision was made, once and for all.

• (1415)

That language minorities should have to go through all these legal contortions to defend their rights is simply intolerable. Official language minorities are asking only for recognition of their equality rights, no more and no less than the Constitution of our country guarantees: to be treated fairly and equitably without having constantly to ask.

* * *

[*English*]

CRIME PREVENTION

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I take this opportunity to thank my colleagues on the justice committee for their work during our recent hearings on crime prevention.

The culmination of the committee's work is found in our unanimous report *Crime Prevention in Canada: Toward a National Strategy*. We have concluded that the conventional crime control model does not work.

As Canadians are aware crime is on the increase. Many offenders are not being brought to justice and others are not being rehabilitated. Our system fails to address the underlying factors associated with crime which, if confronted, could prevent crime.

As a result Canadians live in fear as the cycles of criminal behaviour continue. Our committee has recommended a new approach to crime prevention in Canada. We must reduce opportunity for crime. We must shift our policing efforts to concentrate on the community.

We must address the social and economic conditions that breed crime. We must teach kids about crime prevention at all levels of their education, and we must provide Canadians with a means to avoid becoming involved in criminal activity.

This requires a co-ordinated effort. I am proud to have contributed to what I believe is an outstanding report. My committee colleagues and I are eagerly awaiting the response of the government to our 11 recommendations.

* * *

INTERNATIONAL DEVELOPMENT

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, long-term sustainable development in the Third World only occurs when basic human development needs are met.

Infrastructure and other advanced economic development will only happen when basic health care, nutritional, educational and training needs are fulfilled. Non-governmental organizations are by far the best vehicle for Canada to use to deliver development assistance. NGOs are ideally suited to working with counterparts in developing countries and provide tens of thousands of Canadians with opportunities for direct involvement in development work both in Canada and abroad.

Despite all this the government has so lost touch with the reality of international development that it has decided yet again to slash support to Canadian non-governmental organizations. Instead of undermining their

development work the government ought to be asking NGOs to help increase Canada's commitment to basic human development.

ORAL QUESTION PERIOD

[*Translation*]

TRADE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, the Minister for International Trade once again confirmed that the government intends to proceed very quickly with the bill to ratify the free trade agreement between Canada, the United States and Mexico. Yesterday in Washington, however, U.S. trade representative Mickey Kantor stated firmly that the Clinton administration would not proceed with ratification of the treaty until it gets side agreements on labour, the environment and import surges.

I would like to ask the Prime Minister whether he agrees it would be far more sensible for Canada to wait until these parallel negotiations have taken place before proceeding with a bill as important as this one.

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, first let me say that we believe the North American free trade agreement is good for Canada without having the side agreements on the environment and on labour.

I should remind my hon. friend that in February last year we initiated discussions with the Americans and the Mexicans on side agreements on labour and the environment. They were rejected at the time so we welcome this opportunity to continue the agenda that we commenced in February of last year.

The processes of legislation in Canada, in the United States and in Mexico are under way right now. It is different in each country but it will conclude at roughly the same time. The heads of government of each of the three countries have said that they were committed to the January 1 start-up date. They are committed to not reopening the North American free trade agreement that was signed last December.

• (1420)

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to say to the minister that the Americans have decided that they will not proceed unless there are agreements in relation to the environment, labour standards and import surges.

Why is the government not proceeding with its own list, namely a definition of subsidy and a definition of dumping? This week the C. D. Howe Institute said it was a big problem that we did not have clear definitions.

Why does the government not take the occasion to find the solution that Canada needs before getting into that big deal?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me remind my hon. friend that if we move to a definition of subsidy and changes to the anti-dumping rules we would be reopening the North American free trade agreement.

Some hon. members: Hear, hear.

Mr. Wilson (Etobicoke Centre): Each of the three heads of government is committed to not doing that.

My hon. friend cannot have it both ways. If he wants to reopen the North American free trade agreement he has to give something to get, and the Americans want a change in the cultural exemption and a change in the supply management protection. Some members of Congress want to have a change in the dispute settlement system.

Which of those things would my hon. friend like to give to the Americans to get his changes in the dumping and subsidy rules?

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I do not understand in a business such as this one not having a definition of subsidy or a definition of dumping before we get into an agreement. We are having so much difficulty because we have to follow the wishes of the American Congress. When will this government stand up for Canadian interests?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend has not answered my question. What is he prepared to give up? He says he is going to open—

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): My hon. friend cannot have it both ways. He says he wants to reopen the agreement but he is not prepared to say what he is going to give up.

Is he going to give up the cultural exemption? Is he going to give up protection for the supply management sector? Is he going to give up the dispute settlement mechanism?

Canadians understand that my hon. friend is trying to bridge the differences between the protectionist parts of his party from Winnipeg and the free trade parts of his party from Etobicoke. Everybody sees through that.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister of trade knows perfectly well that the United States is imposing new conditions on the North American free trade agreement through the device of parallel accords.

Let me ask a question of the Minister of the Environment. Last November the minister issued a statement in which he announced that the North American free trade agreement "adequately safeguards the environment". Yet only a few days ago in this House the Minister for Science conceded "we have finally got the Americans to talk about such things as environmental protection".

What exactly is this government's position? Does the government still claim that NAFTA itself, the NAFTA text, adequately safeguards the environment? Or, is it now admitting belatedly that the agreement falls short on environmental protection and needs to be supplemented by a parallel accord? Which is it?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker—

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): I thought the question was put to me.

I am delighted to answer a question from the free trader from Etobicoke North. He asks about the provisions in the North American free trade agreement as they relate to the environment. These provisions are as strong as any trade agreement in the world today in the protection of the environment, and I am happy to discuss this at length.

• (1425)

He is asking if we are prepared to have discussions to improve on that. Certainly we are. That was the proposal I put forward back in February last year. We reiterated that in September.

One of the results of this is the North American Commission on the Environment. We have been working with the previous administration and the new administration on the mandate of that. The focus of that will be primarily on enforcement and helping the Mexicans in principle to improve their enforcement capabilities.

My colleague, the Minister of the Environment, will tell us that we have provided, I believe it is, $1 million to help the Mexicans with their enforcement measures. That is the direction in which we are going. It is one of the key objectives of the side agreement on the environment.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, let me understand the minister. He says that his objective is some sort of commission on the environment to be created in a parallel accord on the free trade agreement.

Let me ask the minister this question. The United States trade representative yesterday said the United States would walk away from the table, walk away from the agreement, unless it got its three parallel accords.

The minister will know that there is in environment matters, to take one example, a demand on the U.S. part for a trilateral commission which can challenge national environmental law and standards—and that is why I directed my earlier question to the Minister of the Environment—and, second, would impose a broadly based import duty to supplement funding for environmental protection.

Does Canada support that type of proposal? Are we advocating that there be imposed what is in effect a new tariff in what is supposedly a tariff-free zone? Is that the sort of thing Canada wants? Or, has Canada any objectives at all in the negotiation of these parallel accords? What are Canada's objectives?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I will just quote from Mr. Kantor's testimony yesterday as it related to environmental matters. He said: "There is no enforcement mechanism. We are looking at certain national, not supernational mechanisms under the present NAFTA that might be available

in connection with the commissions". There is no intent on their part or on our part to impose our views on standards because that would be an incursion into Mexican sovereignty and that works both ways, as Ambassador Kantor said in his testimony yesterday as well.

We are trying to use this North American Commission on the Environment to raise the awareness, the understanding of how enforcement measures could be used more effectively. That is a major advancement we can have as a result of the North American free trade agreement, because without the agreement we would not be having these discussions at all.

* * *

NATIONAL DEFENCE

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

According to newspaper reports today sources including from the Department of National Defence and other industry experts have raised considerable questions about the attack helicopters that are being proposed for $5.8 billion by this government.

Before the last election the Prime Minister and his government were proposing attack nuclear submarines. Those were cancelled. Will the Prime Minister do the right thing again and cancel these attack helicopters which are not necessary either?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had the opportunity to glance at the newspaper article to which my friend refers. The article is false.

Parenthetically I tell my hon. friend, perhaps just for the record and I know that she probably will not follow it, these are not attack helicopters. These are helicopters recommended by the military of Canada for search and rescue, for the preservation and protection of Canadian sovereignty, for the fisheries, plus of course to help us in peacekeeping initiatives around the world. They are not for attack purposes. They are there to modernize Canada's fleet in respect of our international obligations.

Let me make it very clear that this government plans to honour all those international obligations.

• (1430)

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is for the Prime Minister.

I am sure the Prime Minister knows that there is not another country that is purchasing these helicopters for search and rescue, that in fact they are used as anti-submarine helicopters.

I want to say to the Prime Minister who expressed concern for Canada carrying out its search and rescue obligations that we know now the Labrador has had some very serious safety concerns raised by both those who fly that particular helicopter and their families. Clearly if the purchase of the new helicopters is to replace these it will take at least five years.

Will the Prime Minister say today that instead of purchasing $5.8 billion worth of new helicopters, he will refurbish the Labradors, he will do it now and he will think of the safety of those people now, not five years from now?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, it is possible to refurbish the Labrador helicopters at a cost of $1 billion. It would probably extend their life maybe five or ten years. The problem, even if that money was spent, is that it would not bring them up to the search and rescue capabilities of the EH-101.

I share with the hon. leader of the NDP a concern about our aging Labrador helicopter fleet. It is why I agree with the recommendation made by the Standing Committee on National Defence and Veterans Affairs that the helicopters should not only be replaced but it should be done as quickly as possible to avoid costly interim measures. When these new helicopters are delivered we will have the finest search and rescue capability possible in the world. The best technology for Canadians.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is for the Prime Minister.

For a purchase price of $5.8 billion, it seems to me we could have a national child care program, we could deal with poverty in this society and we could have the best country in the world if we chose our priorities right.

I want to ask the Prime Minister, will he do the right thing now and withdraw the purchase of these helicopters in the interest of the programs that Canadians need?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend said in her prefatory remark that there is not another country that uses these advanced helicopters. She is quite right. They have not been manufactured yet.

That is the reason they are so useful to Canadian forces for instances ranging from search and rescue to helping peacekeeping initiatives off the coast of Africa. They are multi-faceted, they are very much needed in the minds of the military to enable Canadian soldiers to fulfil our international obligations.

My hon. friend raises a very good question. Are there other things that we could do with the money? Yes there are. As a government we have tried to constrain the cost of government. We have tried to constrain the cost of growth in government. The problem is not that we are black-hearted accountants but that the cost of servicing the debt is absorbing a greater and greater amount of every tax dollar, thereby diminishing our capacity if I may say to do certain things like the very important matter raised by my hon. friend.

We have established good credentials I think as a country in social policy. It is not perfect, but good, and we have established very admirable credentials as a country in defence and foreign policy.

It is the view of the government that these helicopters are required to enhance and ensure the maintenance of that very reputation of Canada for reliability and service to the international community. We have made those decisions, we have established those priorities and we intend to honour them.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is for the Minister of National Defence.

Yesterday in reference to an accident involving a Canadian forces helicopter in the Gulf of Mexico, the minister stated that the crash occurred with the Sea King because of old, unsafe helicopters.

Is the minister saying the Canadian forces fleet of Sea King helicopters that our people are flying is unsafe?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): No, Mr. Speaker, nor did I say that the reason for the crash was because the helicopter was old.

An hon. member: It is in *Hansard*.

• (1435)

Ms. Campbell (Vancouver Centre): No. What I said was that it is an aged fleet of helicopters. That is why the hon. member who asked the question was part of a unanimous consensus in the standing committee of this House that the Sea King helicopters be replaced by the EH-101 as soon as possible and I agree with that member.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my supplementary is for the same minister who is displaying a frightful ignorance of the matters for which she is responsible.

The quotation yesterday was: "I am aware that the men and women serving in the Canadian forces need to be safe and not made to fly old unsafe helicopters".

The minister knows that the Canadian forces do not have their men and women fly in unsafe helicopters. She should also know that the squadron commander involved in this case stated that it was unlikely that the crash was related to maintenance.

I want to ask the minister why she is playing politics with this important and very sensitive issue?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, if I am playing politics, I am a real piker in that department I assure you.

I am quite prepared to agree with the hon. member that the crash was not a result of maintenance simply because we maintain our helicopters to the highest standards.

The reason why that hon. member and his colleagues on the standing committee voted to replace the Sea King helicopters as soon as possible to avoid costly interim measures—this is the exact wording of the recommendation—is because they recognized that even with the best maintenance in the world, at a certain age those helicopters will not be safe for Canadian men and women. That is why we are replacing them with the finest helicopters and the best technology that we can provide for our forces.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is also for the Minister of National Defence who has not confirmed that the Sea King helicopter is indeed a safe helicopter for our military crews to fly.

The minister knows that the U.S. navy and marines have retrofitted 239 Labrador helicopters. The job is complete. They have retrofitted over 250 Sea King equivalent helicopters. The job is complete. She knows that only Canada among NATO nations has chosen to spend $6 billion of taxpayers' money at a time when the Minister of Finance promises a tough new budget for reasons that are completely inexplicable.

I want to ask the Minister of National Defence the following question. Does she believe the search and rescue helicopter which is now in service, the Labrador, to be a safe helicopter?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the Labrador helicopter is a wonderful helicopter. Those who fly it are very fond of it.

Mr. Tobin: Have you ever been on it?

Ms. Campbell (Vancouver Centre): Yes, I have been on a Labrador helicopter. What I would say to the hon. member is that the American Labrador helicopter fleet is younger than our helicopter fleet. When our Labrador helicopters were the same age as the American helicopter fleet, we also did a complete refit of them.

However we are now looking to replace our Labrador helicopters because after a certain number of years there is a limit to what one can accomplish by a refit. Those helicopters are aging, the air frames are too old and it is time to think in advance of replacing them so that by the time they become unserviceable we will have replacements for them.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my supplementary is for the same minister.

I would like to know if the minister is aware that on February 9 three members of this caucus and four members of our staff were told by the senior officers of the minister's department that both the Labrador and the Sea King with a retrofit can fly at least until the year 2020 for one-third the cost of purchasing the EH-101. Why is she not acting on that recommendation?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I would like to have the name and the precise detail because that is not in fact correct. Perhaps if they are only flying 500 off the ground and they are not doing very serious missions that may be true.

However our helicopters have very serious tasks to do, both in their shipboard and their search and rescue capabilities. I believe that Canadians need the technology of the 1990s, not the technology of the 1950s, to serve those tasks.

* * *

• (1440)

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my question is for the Minister for International Trade. It concerns the issue of the NAFTA and parallel accords.

The Prime Minister said ironically but not surprisingly to an American audience that these parallel accords have little if anything to do with Canada. This certainly contradicts the words of the trade minister.

Yesterday U.S. trade representative Mickey Kantor said: "I am prepared to walk away from the table if we cannot get satisfactory agreements". When asked, the minister responsible said negotiations start next week. We know the American position. It is a strong one. We do not know what Canada's position is.

If the minister is not prepared to defend Canadian workers and Canada's environment, why he is going to the table at all?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend refers to a quote where I said they had little if anything to do with Canada.

He should keep reading the rest of the quote. Perhaps when he rises to ask his next question, he could give the rest of the quote where I indicated that the concerns of the United States are principally with the environment and labour laws in Mexico.

If there are discussions of any kind because of the trilateral and tripartite nature of our fundamental agreement, Canada will be part and parcel of all those discussions to protect Canadian interests at all times.

With regard to the suggestion that Mickey Kantor might want to walk away from the table, good for him. Simon Reisman walked away from the table in 1987 and we got a very good deal as a result of Ambassador Reisman's exits.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, some would dispute how good that deal was.

An hon. member: Including Simon Reisman.

Ms. Hunter: Including Simon Reisman. The Prime Minister was quoted as saying that we do not have trans-boundary issues between Canada and the U.S.

Is the Prime Minister aware that there are 43 toxic hot spots in the Great Lakes alone, 30 of them on the U.S. side. Where is the confidence of the Canadian people when these types of people are negotiating our interests?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, if there is a recognition of some hot spots around the Great Lakes, it is because through the Great Lakes action plan and the water quality agreement that we have with the United States, we have entered into agreements with the United States to undertake a clean-up of these hot spots.

In fact there are remedial action plans such as the very successful one in Hamilton throughout the Great Lakes. I may add that we are dealing very effectively with these issues and that the American and the Canadian governments have made the Great Lakes a high priority.

I am happy to report to the hon. member that in my conversation with Carol Browner, the new EPA administrator, I indicated to her that the government wanted to maintain the Great Lakes as a high priority issue between both governments.

* * *

EMPLOYMENT

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my question is for the minister of employment.

His deputy minister has admitted that because of the proposed changes to the UI program, new security measures will be imposed at UI offices across the country.

If the government believes that the changes to UI are fair, why does the government need to take new security measures against violence? To what does the minister attribute the anticipated rise in violence?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, in all fairness to the deputy and what he stated, I think he should be quoted correctly in this House.

What he indicated is that the department is concerned about the security of public servants throughout the country. In recent years we have witnessed in different offices across Canada some acts that are unacceptable. In order to protect our people, we had to have security measures.

We are reviewing on an ongoing basis the security measures in our offices to protect our employees and we will continue to do that.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, a supplementary question for the same minister.

It is obvious to me and to all Canadians that the relationship between the unemployed of this country and this government is deteriorating to the point that new security measures must be imposed in order for dialogue to occur.

• (1445)

Instead of wasting so much political energy on attacking the unemployed, why does the minister not attack unemployment and put Canadians back to work?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the record is clear.

The Liberal Party is still arguing that a person in Canada who chooses deliberately, voluntarily and without provocation to quit a job should be paid benefits.

That may be the position of the Liberal Party. It is not the position of this government.

Mr. Jim Peterson (Willowdale): Mr. Speaker, today the Canadian Labour Market and Productivity Centre issued 27 recommendations, many of which are stinging indictments of this government's policies.

For example, it calls for expanded federal government programs for funding training. It is calling for this expanded role for the federal government at the same time as over the past four years this government has cut $217 million out of its share of funding for training.

Will the government now consider reversing its policies and assume its fair responsible share of training programs?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, if that member were informed before making such statements, he would know that of the training funds spent at all levels of government across Canada, the federal government spends close to 73 per cent of all money on training.

In the last three years this government has increased the training funds for unemployed Canadians from $500 million to $2.8 billion. This year we will be spending $3.1 billion on training for Canadians. That is a record to which the Liberals can never compare.

Mr. Jim Peterson (Willowdale): Mr. Speaker, this is a sham and a fraud on Canadians.

The minister has not read recommendation 21 which says: "Training course costs should not be shifted from general revenues to the UI account paid for by the workers".

The report concludes that "Canada's record of investment in physical public infrastructure such as for transportation, communications and the environment is one of the lowest of the G-7 countries" and has undermined "the potential of private investment as well as income and employment security".

Since this government has rejected our party's call for a stronger federal infrastructure program, would it at least accept this unanimous view of labour and business including its very good friends in the BCNI?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I know the hon. member likes to read. He should also read the estimates where he will find out about training money in Canada.

The sham and fraud he refers to is that of a Liberal member standing up when the Liberals have opposed Bill C-21 which has seen a 450 per cent increase in training funds for unemployed Canadians. He has the gall to stand in this House and say that he is concerned about unemployed Canadians.

Those members know that training is key to accessing new jobs in this new economy. They oppose every measure that we propose.

* * *

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister of Finance.

Business and labour today released what to us is an exciting report to revive our economy. It has 27 recommendations to which both sides agree. This report calls for full employment, for government investment in infrastructure, for better ways of getting capital to small and medium-sized business, for increased importance for training and child care.

Will the government look seriously at this independent call for a new approach? Will it listen before the next budget to business and labour leaders who have brought forward these unanimous recommendations?

• (1450)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I have not had the opportunity to read the report in detail. However, if the hon. member has an accurate reflection of its summary, then all we would have to do is refer to the economic statement I introduced in December. It covers every one of the points the hon. member made. Therefore, I ask him to re-read it.

* * *

EMPLOYMENT

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, today when business and labour jointly put forward their report they called on the government to re-establish the role of unemployment insurance as income support for individuals by ensuring that training course purchase costs are not shifted from general revenues to the UI account.

This government collects taxes from workers and then collects UI premiums from workers to use for training.

Will the Minister of Employment and Immigration listen to the combined voices of business and labour and take UI training costs out of general revenue? Will the minister join business and labour to rebuild the economy in Canada?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the hon. member will know this government is spending a record $1.6 billion out of general revenue to train Canadians.

The fiscal situation of Canada is such that we have to live within our means and yet even at that level we have to borrow a lot. We have tried to activate some of this income security money in the UI fund so that we can help Canadians acquire new skills in order that they can enter the labour market.

I know the hon. member and her party oppose activation of passive funds where we pay people to do nothing and where we penalize them if they want to get out of that. This government has taken steps to activate these passive funds and I am sure we will continue in that direction.

* * *

LOCKPORT BRIDGE

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, as you know I have stood in this House many times voicing the concerns of the community of Lockport in my riding.

There is a problem in the fact that the federal government through Public Works is refurbishing a bridge. However, it has caused a significant problem in the business community because it prohibits traffic from travelling back and forth.

I ask the minister what is happening to the advertising support campaign that I requested a number of weeks ago?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, the House is well aware of the tremendous concern of my colleague for this project. He knows that we recently let a contract to repair part of the bridge. During this time, at his suggestion, our department has made arrangements to be in contact with representatives of the Triple-S Community Development Society. Therefore, everyone will know that Lockport is still open for business and that we are proceeding not only to repair this facility but to support the business community in the way he suggested.

* * *

TRANSPORTATION

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is for the Minister of Transport.

This government is asking too much of New Brunswickers and Monctonians. The Moncton CNR shops closed throwing 2,000 Monctonians out of work. CNR's announcement last week will add another 325 Monctonians to the list. The government's announced closure of the military supply depot means another 450 Monctonians out on the street.

Enough is enough. Where is the fairness? When will the minister bring in a coherent rail transportation policy which will put Atlantic Canadians back to work?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I am sure the hon. member will be pleased to learn that about a year and a half ago the Council of Transport Ministers started elaborating on a national rail network. This group is presided over by the Minister of Transport for New Brunswick.

Mr. George S. Rideout (Moncton): That is not really too much help to Monctonians and to New Brunswickers.

• (1455)

The National Transportation Act review says that the government should move even faster in the area of rail line abandonment and the abandonment of the goals of regional development. This is now government policy. Obviously this government and the review committee have no grasp of transportation issues in Atlantic Canada.

When will the government deal with the crisis in transportation in Atlantic Canada?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I am sure the premier of New Brunswick who is the leader of the Liberal Party in that province will be greatly

moved by the great testimony of confidence the hon. Liberal member from New Brunswick has given to him in this Question Period in the House of Commons.

I reassure him that the recommendations we have received from this excellent review of the NT act of 1987 are thanks to a clause which was put in that piece of legislation in 1987 to review it after five years. We have received a very good report. We have asked the Standing Committee on Transport to review it and give us its sense of what it believes as elected members of this House we should do.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of the Environment.

Last month the government announced its intention to move forward with the construction of three additional runways at Pearson International Airport. This was despite the findings of an environmental assessment panel which examined the feasibility of expansion and overwhelmingly recommended that the government reject its expansion plans.

How can the minister condone this government's decision and action when an environmental panel of his own department has strongly recommended the very opposite course of action?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, as usual the member from the opposite side is reading into the report something which is not there.

What the environmental panel said was that it was not in agreement with our suggestion to construct a cross-wind runway at a certain place and to a certain length. The panel in the report recommended to put it elsewhere and to put it shorter and that it be submitted to a panel of safety experts which we did. The panel of safety experts said that the proposed cross-wind runway should be built where it was suggested by Transport Canada. This is what we are going to do.

Mr. Sergio Marchi (York West): Mr. Speaker, again I go to the Minister of the Environment because when push comes to shove, whether it is the Oldman River dam, the Rafferty dam or now Pearson airport, the minister's assessment review is not worth the paper it is written on.

This latest panel has been studying this expansion project since 1989. It has received 225 representations and 400 briefs from the public. It has cost over $1 million of taxpayers' dollars. It has recommended strongly against the three runway configuration. Given all of that, how can the minister condone and support such an abandonment of this government's so-called priority for sustainable development policy? What will he do about it?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I do not think the hon. member is well informed on how the environmental assessment process works. There have been many more environmental assessments than the ones he has referred to in his question. A lot of them meet the exact goal set for them and that is to inform the government about the environmental impacts of major projects as they proceed. As the recommendations are made, the government deals with them.

In this case I think the member is not well informed about the security dimensions of this file. He would do well to go back and read the report and see the reaction from the Department of the Environment.

In closing, may I remind the hon. member that we have just brought forward a piece of legislation on environmental assessment, Bill C-13. It is the first one of its kind in Canada. By the way, his own party supported it.

* * *

PORNOGRAPHY

Mr. Girve Fretz (Erie): Mr. Speaker, my question is for the Minister of Justice.

Will the minister introduce amendments to the Criminal Code which would provide stiffer penalties for using children in the production of pornography?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I know that all members of the House share an abhorrence of pornography and especially pornography that uses children. Members of the House will know that a year ago the Supreme Court upheld the provisions in the Criminal Code *vis-a-vis* pornography.

• (1500)

I will take his suggestion that we should increase the penalty under advisement. At the same time I think wherever possible attorneys general in all provinces

should prosecute the present Criminal Code provisions vigilantly.

* * *

EDUCATION

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, my question is for the Secretary of State.

The faculty of St. Jean of the University of Alberta is a vital educational resource for Alberta's francophones. I recently met with representatives of Edmonton's francophone community who expressed their concerns for the future of the institution.

I would like to ask the minister—

[*Translation*]

—what kind of assistance the federal government is prepared to give the community educational centres of the faculty of St. Jean?

Hon. Monique Landry (Secretary of State of Canada): Mr. Speaker, like my predecessors, I am committed to supporting francophone or anglophone minority communities so that they can have access to better education, community and school management services.

As far as this particular project is concerned, it happens to be in line with our policy to help communities obtain access to better education.

In this respect, I can inform the hon. member that the project will be looked at favourably, and together with the community and the province of Alberta I hope to be able to contribute towards supporting this project.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments made by the government pursuant to the provisions of Standing Order 110(1). These are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions.

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

* * *

[*English*]

CO-OPERATIVES

TABLING OF STUDY *CLIMATE FOR CO-OPERATIVE DEVELOPMENT*

Hon. Charles Mayer (Minister of Agriculture): Madam Speaker, pursuant to Standing Order 32(2), I would like to table, in both official languages, copies of a study called *Climate for Co-operative Development* prepared by the University of Saskatchewan which was recently presented to federal, provincial and territorial ministers responsible for co-operatives.

* * *

[*Translation*]

HOUSE MANAGEMENT

PRESENTATION OF 70TH REPORT OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton Southwest): Madam Speaker, I have the honour to present the 70th report of the Standing Committee on House Management regarding the list of members of the legislative committee on Bill C-101.

* * *

[*English*]

HUMAN RIGHTS AND THE STATUS OF DISABLED PERSONS

THIRD REPORT OF STANDING COMMITTEE

Mr. Bruce Halliday (Oxford): Madam Speaker, I have the honour to present the third report of the Standing

Committee on Human Rights and the Status of Disabled Persons entitled *As True as Taxes, Disability and the Income Tax System*, in both official languages.

Pursuant to Standing Order 109, the committee requests a government response within 150 days.

I would like to add, Madam Speaker, that the implementation of some or all of its eight recommendations will bring disabled people in Canada that much closer to a real, true economic and social integration within our society.

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

* * *

• (1505)

[*Translation*]

INTELLECTUAL PROPERTY LAW IMPROVEMENT ACT

MEASURE TO AMEND

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)) moved that Bill S-17, an act to amend the Copyright Act, the Industrial Design Act, the Integrated Circuit Topography Act, the Patent Act, the Trade-marks Act and other Acts in consequence thereof, be read the first time.

Motion agreed to and bill read the first time.

* * *

[*English*]

PETITIONS

AIRLINE INDUSTRY

Hon. Audrey McLaughlin (Yukon): Madam Speaker, it is an honour and a privilege to present a petition on behalf of a number of constituents in my riding of Yukon who are concerned about the crisis in the Canadian airline industry, which is due in large part to government deregulation.

They point out that there will be significant job losses and service cuts as a result of the failure of a major Canadian air carrier. They further point out that remote communities depend on regular safe airline service.

The petitioners therefore call upon Parliament to urge the government to take immediate steps to re-regulate the airline industry.

SRI LANKA

Mr. John Nunziata (York South—Weston): Madam Speaker, I am pleased to present this petition signed by approximately 100 individuals within my riding. It is with regard to the unfortunate situation in Sri Lanka.

The petitioners call upon Parliament to call upon the two parties to the conflict, the Sri Lankan government and the Liberation Tigers of Tamil Eelam, to express their willingness to accept mediation in the conflict between them and agree upon a mutually acceptable neutral mediator, and to express their willingness to commence negotiations with a view to entering into an internationally guaranteed accord to establish an associative structure within which the Sinhali people and the Tamil people may live in peace and in freedom.

VIOLENCE

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, pursuant to the provisions contained in Standing Order 36 it is my pleasure to present to this House a petition from several hundred constituents of my city.

They urge that Parliament consider amending the Criminal Code of Canada so that violent and degrading material, such as serial killer board games, can be kept from being distributed in Canada.

I present this petition to Parliament today with my full and total support.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, pursuant to Standing Order 36 I have the privilege to present before Parliament petitions that have been given to me from constituents.

They say that the incidence of violence against women and children is unacceptable and the present social climate is such that when many women report incidents of assault or abuse they are victimized instead of helped. Therefore these petitioners humbly pray and call upon Parliament to accept legislation designed to eliminate violence against women and children, encourage and support women to report incidents of assault or abuse, to concentrate special efforts on the training of police, lawyers, court workers and judges to help them become knowledgeable about women and child abuse and to

focus public attention on this very important and long ignored problem.

WATER DIVERSION

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is a privilege to present a petition on behalf of a number of residents of central British Columbia from a variety of communities, including the congregation of the First United Church of Salmon Arm. They are concerned about the implications of the NAFTA agreement in terms of it likely leading to the exportation of fresh water from Canada. They are not convinced it will not open the door to fresh water sales and transfers to the United States.

They are asking that the Government of Canada take whatever steps are necessary to ensure that our fresh water rivers not be diverted to the U.S.A.

JUSTICE

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a petition signed by many hundreds of people from my constituency in memory of Dawn Shaw, a little girl who was raped and murdered in my riding just a few months ago.

They note that children in our communities are increasingly becoming victims of sexual assault and violence. They propose a number of suggestions that could be implemented by Parliament to deal with this problem.

• (1510)

They ask judges that sexual assault charges not be allowed to be dropped if the case takes too long coming to trial and that prison sentences for sexual assault be lengthened. They also call for the permission for police to take DNA samples from persons suspected of sexual assault and that DNA imprints be kept on file in a national police data base.

In memory of Dawn Shaw, they request that Parliament enact legislation to change the justice system to provide greater protection for children from sexual assault and to assure conviction of offenders.

GOODS AND SERVICES TAX

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, I have two petitions to present on behalf of residents of the city of Saskatoon today.

The first petition was originated by the students of the University of Saskatchewan, who point out that the GST was the first ever federal tax to be applied to magazines, newspapers and books in Canada. They point out that the GST on reading material has been particularly harmful to publishers, book stores, library students and writers. They also remind us that the Prime Minister promised in 1990 to have a review of the effects of the GST on reading material after a year.

Obviously that has not happened, and the petitioners call upon Parliament to immediately eliminate the GST on reading material.

PHARMACEUTICALS

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, my second petition refers to Bill C-91 which the residents of Saskatoon ask not to be implemented, though of course it has been. They also ask for a repeal of Bill C-22, the predecessor of Bill C-91.

The appropriate action now is that both of them be repealed. I am only too pleased to pass on this message on behalf of the residents of Saskatoon because the effects of the bill, as they point out, will be to enormously increase the cost of drugs to the citizens of Canada and certainly the province of Saskatchewan and the medicare drug plans thereof.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, if Question No. 439 could be made an order for return, that return would be tabled immediately.

Madam Deputy Speaker: Is it the pleasure of the House that Question No. 439 be deemed to have been made an order for return?

Some hon. members: Agreed.

[*Text*]

Question No. 439—**Mr. Althouse:**

For the years 1990 to 1992, with respect to the Canadian Economic Development Strategy, (*a*) what were the expenditures and projects undertaken (*b*) what were the total expenditures in western Canada for administration and programs (*c*) which projects were approved in Saskatchewan by (i) client (ii) total size (iii) equity contributed (iv) type

of equity (*d*) which projects were declined in Saskatchewan by (i) client (ii) total size (iii) equity (iv) type of equity?

Return tabled.

[*Translation*]

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

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Deputy Speaker: Shall all such notices of motions stand?

Some hon. members: Agreed.

* * *

[*English*]

POINT OF ORDER

OPPOSITION DAY MOTION

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I would seek the unanimous consent of the House for the following:

That the name of the hon. member for Western Arctic be substituted for that of the member for Nunatsiaq for the purposes of moving the motion that we will be discussing immediately at Orders of the Day.

The reason I am seeking this is to permit the member for Western Arctic to appear before the parliamentary committee on Indian affairs later about a land claims issue in the Northwest Territories, an area that is partially represented by the hon. member. Therefore I seek the consent of all of the House because of this situation and because it is vital for the member to be able to be there for the benefit of her constituents.

Madam Deputy Speaker: The House has heard the request. Is there unanimous consent?

[*Translation*]

Mr. Plamondon: Madam Speaker, I would like to say that we agree to give unanimous consent and wish to thank the member for consulting us beforehand and thus respecting us as a party.

[*English*]

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I was on my feet earlier but you were obviously not able to see me.

I want to simply say that we have no difficulty in giving unanimous consent, but I do want to use this opportunity to make the following comment.

• (1515)

On a number of occasions when I sought unanimous consent on some very non-controversial issues those in the Liberal Party denied it. We are not denying unanimous consent today. I hope they would be supportive in the future.

[*Translation*]

Mr. Langlois: Madam Speaker, we are happy to consent to the motion presented by the Official Opposition and to give members a chance to speak on the motion.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—ABORIGINAL FAMILIES AND CHILDREN

Ms. Ethel Blondin-Andrew moved:

That this House condemns the government for its abandonment of aboriginal families and children.

She said: Madam Speaker, I am pleased to have the opportunity to speak to the motion today to focus on what I consider to be the government's dismal record of dealing with the continuing problems that plague aboriginal children and their families. It makes the future of many First Nations people bleaker .

It is extremely sad and deceptive of this government to wear two completely different hats in its dealings with aboriginal peoples. On one hand, the government continues to speak out to the international community in support of the Year of Indigenous Peoples. In fact,

Canada is seen to be one of the world's leading supporters and promoters of this event. Yet here in Canada this government continues to do everything in its power to diminish the cultural and linguistic rights and existence of aboriginal peoples.

More seriously, this government continues to let the aboriginal people of Canada teeter on the brink of socio-economic destruction. In many aboriginal communities we have a 90 per cent unemployment and an 85 per cent drop-out rate. We have the highest rates of recidivism. We still have a high rate of infant mortality. We have cancer and respiratory ailment rates that are many times the national average in the aboriginal communities. We also have the cutback of aboriginal economic development programs by 28.8 per cent, which will have a devastating impact on these communities.

This year's theme is Indigenous People's—A New Partnership. How can this government morally continue such a political and international charade? It seems to me that this government has no intention whatsoever to deal with the continuing problems that plague aboriginal communities across this country.

There are many Davis Inlets in this country of Canada. How then can the government expect Canadians, aboriginal and non-aboriginal, to believe that in this Year of Indigenous Peoples "new partnerships" will be fostered when the government's record on the state of aboriginal affairs from coast to coast to coast is absolutely shameful?

Clearly this government has completely lost touch with its responsibilities to aboriginal peoples when the finance minister's December 2 economic statement is a perfect example of this. The government's priorities are clear. Moneys will be spent on other priorities such as the obsolete use of helicopters. Their original purpose for a mission is now obsolete. Cruise missile testing will continue in the north although it is no longer warranted.

Aboriginal interest groups, friendship centres and communications organizations have been hit with 10 per cent funding cuts despite the growing need for these social and cultural resources.

I guess there have to be some shining lights in all this bad news. I attended the Dene Family Symposium in Fort Smith two days ago. It is very encouraging to see first hand the Dene people's focus on wellness. Most important is that the Dene people are doing it for themselves.

In the western Arctic, wellness think-tanks are springing up all over my riding. The community of Fort McPherson recently began an initiative called Pathways to Healing. Another community that is not in the Northwest Territories is sharing its expertise. That is the community of Tadoule Lake which has essentially picked itself up and dusted itself off through wellness initiatives and activities by its own people to return to a more productive community. These efforts allow aboriginal people to come together and pool their ideas at a time when alcoholism and other forms of abuse are rampant in our communities.

• (1520)

I believe that no one has the potential to do for aboriginal people what they can do for themselves. The problem is that in order to help themselves aboriginal people need the funding support of the federal government like all other citizens do to help themselves.

What they do not need are more studies. Communities and people know when they have a problem and what to do about that the problem and what healing is needed. This government needs to act—not listen. Funding cuts to desperately needed and already under-funded programs is not the action that needs to be taken.

I have an example that is very sad. As a result of the recent funding cuts the whole Western Arctic Native Communications Society is in jeopardy of going under. The story is the same around the country. The *Press Independent*, an outstanding newspaper with a readership of 5,700 and which serves the communities in the western Arctic, had its funding completely cut by the Secretary of State in 1990. The efforts to make it a commercial venture have been very difficult.

As one well knows, commercial ventures have suffered grievously over the last number of years. Numerous businesses have gone under and the bankruptcy rates are very high. To expect a small newspaper of this size to survive on its own is just unrealistic at this time and place.

The award-winning newspaper may be putting out its last publication this week. The timing of these difficult cuts at year's end could not come at a more difficult time. While the *Press Independent* struggles to keep its printers working, book drives have begun in western Arctic communities to satisfy the public's need for more reading materials.

Who tells the story better than newspapers like the *Press Independent* and *Windspeaker*? Who tells the story better than those newspapers about the importance of aboriginal priorities, values and traditions? Who puts the pictures out there of our elders and our children and issues that are pertinent to the survival of our people? What tells the story better of the importance of education, of the importance of housing, of the importance of land claims and of the importance of aboriginal rights questions than these newspapers?

There are other areas that are undergoing similar cuts. The National Association of Friendship Centres had a rally this afternoon on Parliament Hill at which a number of members of Parliament have spoken and the leaders of the national friendship centres have appeared themselves.

I have been overwhelmed with letters and faxes as have many members of Parliament, as well as the Prime Minister's office and cabinet ministers' offices I am sure. There were faxes from presidents, employees and aboriginal Canadians who run, work and use the unique services and many resources available through friendship centres and native organizations. From every corner of this country their message is clear to Ottawa. These cuts are unfair and unnecessary. Friendship centres across Canada have closed their doors today in staging a national day of protest.

As I have stated, I spoke at a rally this afternoon. People can best tell their stories themselves and we listened to what they had to say. The Tree of Peace Friendship Centre in Yellowknife is one example of the diversity of resources that friendship centres offer at the community level.

Tree of Peace offers kindergarten programs, adult education, native outreach programs and summer camp programs for children that are very important for single-parent families. It also offers drug and alcohol abuse counselling. All of these services and resources provide the means to develop self-esteem, personal development, cultural preservation and community awareness.

Ingamo Hall in Inuvik, Northwest Territories, will have to start charging user fees for its free programs when their $24,000 federal funding cut comes into effect next month. Can one imagine how heart breaking it is for a community that is known for its generosity to charge user fees to its own people for a service it used to offer free?

Many of the programs offered have become the backbone of this community: teen and elder programs, teen drop-in programs, elder social programs and voluntary programs for mothers. These are just to name a few of the programs that are offered by the friendship centres. There are many, many other centres across the country that deserve praise and they cannot all be named. In all ridings of members of Parliament and in senators' communities there are friendship centres that offer an invaluable service that cannot be measured by the government and have a price tag put on it. What can be offered is continuing support and not more cuts.

• (1525)

Another area that is feeling the pinch because of the government's inactivity is the fur industry defence program. I am hoping that the government will come forward and make a firm commitment. Funding for this program has only been committed to the end of this month, March 31, 1993.

We have checked on this and this is the case clearly as of today. At this very moment there has been no money set aside for the International Organization for Standardization or to continue trap research. The Minister of the Environment has publicly stated that there will be no money in place by the end of the month.

It is critical that the environment and international trade departments and the Department of Indian Affairs and Northern Development come up with this money and come up with a cohesive strategy that makes some sense and that offers some hope to the 85,000 trappers across this country.

The economic livelihood of indigenous peoples is being seriously jeopardized by callous and insensitive and mostly foreign-financed animal rights campaigns. We have not heard a peep in terms of strategy from the federal government on how to respond to these groups that are financed to the tune of $20 million. We cannot

as small communities put up the battle on our own. We need the help of the government.

The fur trade industry built Canada and brought the free-market economy to this country. What new partnerships is this government prepared to make with Canadian hunters and trappers to ensure that they meet the European Community requirements in 1995 and allow this economic and sustainable development to continue?

The incomes of 100,000 Canadians depend on access to fur markets. All of these programs enable aboriginal people to make the adjustment and transition from the simple, traditional way of life to the more complex and difficult challenge of integrating into the world of technology.

There is another area. I guess I have talked about friendship centres and also about native broadcast and communications societies that let native people regain their self-confidence and get in touch with their cultural identities through promotion, education and preservation. These are well worth preserving, but there are actually institutes that have been developed by aboriginal people themselves that are undergoing funding cuts. The Dene Cultural Institute in Hay River, Northwest Territories, is one fine example.

It received $200,000 a year from the Department of Indian and Northern Affairs. That is projected to undergo a 10 to 30 per cent cut. This is a cut that will have a direct impact on the future of this institute. Funding cuts will impact this organization's abilities. The Dene Cultural Institute, as small as it is, is a world leader in research efforts to preserve and develop the use of traditional knowledge and the environment and the important need to preserve powerful oral traditions and the knowledge of elders. This does not even mention the work that gets done in the area of sustainable development, conservation and habitat destruction studies and also now in the area of justice program alternatives. Alternative justice programs related to aboriginal communities is something that the Dene Cultural Institute is looking at. A cut as small as this, which to the government may seem harmless, is very much a huge impact on that particular institute and the people who work there.

My hat has to go off to the executive directors of those programs. It has become a very personal mission for those people to stay afloat and to keep the spirits of their personnel high. For people like Joanne Barnaby who has headed up the institute and has worked for years to develop the programs it is disheartening.

Obviously the government does not see the national and international importance of these resources, nor does it see the importance to provide these services. It is making it difficult for these services to continue. New partnerships in 1993 will not develop without the needed funding. Aboriginal peoples have lost faith in this government in these areas.

• (1530)

Aboriginal peoples have lost faith in the actions of the government with good reason. For example, health and welfare announced a plan to launch the Brighter Futures children's initiative. This initiative is in theory only. It does not seem to exist when it actually comes right down to the funding being provided.

The program was announced almost one year ago, in May 1992. However, today funding still has not been made available. Worth-while programs and desperately needed children's centres remain on hold or must be abandoned.

It is a shameful example of the government's smoke and mirror tactics in dealing with aboriginal peoples and specifically children in this case. We have a particular centre in my riding that could use the money. It wanted to fill out the application forms in order to get the money. It has been working on funding for one year and the Brighter Futures program will offer it not even a hope until the end of April.

It is simply an understatement to say that the plight of the aboriginal housing situation is critically serious. The Government of Canada cannot deny that the Third World housing conditions many aboriginal Canadians live in impact on aboriginal families, their children and their quality of life. The standing committee identified the critical need for housing both on and off reserves in the 1990 report *Unfinished Business*.

I want to talk specifically about the north because I have a very special mission. I know my hon. colleague for Kenora—Rainy River will deal with this issue in more detail.

Other than federal housing, there is virtually no private housing market in the Northwest Territories. Ninety-eight per cent of social housing clients in the north are aboriginals. After months of trying to get the federal minister responsible for housing to reinstate the Northwest Territories housing budget to the 1991 levels, the minister denied this request in September 1992.

Reinstatement of 1991 levels was recommended by the standing committee in its recent report. This federal reduction means that at least 200 fewer cost-shared housing units will be built in the Northwest Territories in 1993. Two hundred fewer. Without reinstatement to 1991 levels the Northwest Territories will only build 153 units across the whole Northwest Territories instead of 372 units.

The need in the north is that 3,945 units are required. There is a huge gap between what the government is able, willing and capable of doing and what it is actually doing or committed to doing, I should say. Without reinstatement to the 1991 levels, the Northwest Territories will only build 153 units.

As you all know, in the Northwest Territories we do not have a private market available to us. We do not have the options available to us as they do in the south. In the past, the Northwest Territories has had a 6.55 per cent protected reserve of national housing allocations. With the projected cuts to the Northwest Territories housing budget, it is now obvious the gap in the shortage of units will never be bridged and will only get wider and wider.

We are all panicking. The minister for housing from the Northwest Territories is extremely concerned about the results and the impact of this reserve not being protected any more and that it will be reduced. This will be reduced and the reason that we have had this reserve is because the need is so much greater and the alternatives and the options are much fewer. It is substantively justified that we maintain this reserve. I appeal to the government not to change this protective reserve.

This shortage in housing has resulted in much higher rates of sexual abuse, family violence, alcohol and drug abuse, suicides and high school drop-outs. The rates are much higher than are found in the south and many would say are directly related and linked to the overcrowding in the housing situation that exists.

How does the federal government justify its current spending priorities when northern Canadians do not have the fundamental necessity of adequate shelter to protect themselves from one of the world's harshest climates?

• (1535)

The housing crisis is affecting aboriginal families and children right across this country. Government restrictions on housing funding are forcing bands to build smaller houses and are forcing larger families and their children to sleep in overcrowded basements risking safety.

The basic amount allowed per housing unit needs to reflect the increase in cost of contracts and materials to accommodate the increased cost of the national building code standards.

Bands across the country are put into the position of having to pick and choose the most desperate family in need of housing in the community because the federal housing allowances are not even closely reflecting the actual needs of most bands.

Another issue that is extremely important is post-secondary education. On November 29, 1991 the Minister of Indian Affairs and Northern Development appeared before the standing committee. He stated that the self-fulfilment of the aspirations and the destiny for aboriginal persons in this country required many things including opportunity and encouragement but that education was the most important ingredient of all.

It is unfortunate that the minister could not keep his commitment. The area of post-secondary education is seriously underfunded. The shortage in funding and the waiting list is so great that students have stopped applying to post-secondary institutions.

If you can believe it, in some areas we have an 85 per cent drop-out rate. That drop-out rate allows very few of our students to make it through high school. How then can you justify denying aboriginal students the right when they are eligible to enter college and university?

I appeal to the government. Please, for our children and for our country we need the help. We need the resources in a number of areas that are very serious and

impact on the lives and the futures of our communities. Please support us and please make a difference in the lives of our families and our children.

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, I want to thank the member for Western Arctic for her intense and complete submission to us on this opposition day. While it may seem to be opposition business, actually the plight she brings to us is a plight all Canadians share with her.

I have not had an opportunity to tell a little bit of the secrets about the intensity of the member opposite and I hope she will allow this. I do this to give an idea of how we worked together on the aboriginal affairs committee when we looked toward the resolution of the problem. I suggest in all sincerity that is uppermost in everyone's mind.

We recently completed a study dealing with housing to which the hon. member made reference. When we were welcomed in her community of Fort Norman we were not greeted in the normal way opposition members would greet one another. Instead, she met us and gave us all a hug. It was a significant bonding process that I experienced in Fort Norman. We took that with us throughout the completion of the study. I want to commend her for welcoming us into the human family as she did. All too often in the things we do in this building we have a tendency to lose our perspective on the real issues. As a result I think the committee operates in a much more productive way.

The minister of Indian affairs at a meeting held with Chief Roland Crowe in whose presence I happened to be did discuss some of the problems that are confronting some of the aboriginal communities. This particular one was the delivery of child and family services.

I believe that from the meeting's perspective, Saskatchewan and the minister seemed to be heading closer to a resolve of the provision of these services. To point to a statistic, in 1991 DIAND funded 36 Indian child and family agencies covering some 212 bands.

There is some progress being made in this progression toward Indian self-government, one that I support quite intently.

There was as well a comment made with respect to education and the fact that there was a drastic shortage in terms of educational funding being provided to our aboriginal children. The number of elementary and secondary students attending band-operated schools has tripled from 13,133 in 1981-82 to 40,513 in 1990-91. During the same period in 1990-91, the number of band-operated schools almost doubled from 159 to 312.

• (1540)

I do not think it is a secret that some of the communities we visited seemed to suggest that perhaps viability might be a question that should be addressed. Some of them were not experiencing the same kinds of services and facilities some southern communities were experiencing. Also, there seemed to be a great emphasis toward the need for further self-government.

Could the member comment about whether or not there are other solutions than simply sending money? I do not mean that in a degrading sense. Other than just making more money available, are there other solutions that we should be pursuing rather than just simply writing cheques?

Ms. Blondin-Andrew: Madam Speaker, I was very generous and gracious with my hugs because I thought maybe we were going to be given some nice cheques to do a lot of good work.

I know that committees are masters of their own destinies. I have to say the aboriginal affairs committee, many members of which will be speaking today, is a very hard-working and sincere group. I also salute them. We have Mr. Anawak and from the New Democratic Party we have Mr. Bob Skelly. We also have members from the other side, Mr. Schneider, our chairman. There is Bob Nault as well. We work well together and we aim to achieve our goals and make recommendations that sometimes go unheeded.

Having said that, I think it is not an either/or situation of writing cheques, as my hon. colleague puts it. What happens in this case is it brings to mind a comment that was made to me by the minister of housing for the Northwest Territories who said: "We can talk about self-government, but if people do not have roofs over their heads, we are talking about a concept without reality". That is very pertinent.

We have to deal with real issues. Health, education, training, child care, housing and land issues are real issues that require resources. There is not a non-aboriginal community in this country that goes unaided from the federal government. I cannot think of one community.

It is unreasonable to assume that it is an either/or situation. Every community that wants to build an infrastructure and wants to build a firm base needs the assistance of government. I do not think it goes without gratitude and it goes without the best intent to build the best and the healthiest of communities for all people.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Madam Speaker, I listened with great interest to my hon. colleague from Western Arctic. As a member from Quebec, I share her feeling to a large extent. I think that there is a fundamental problem with what is called the Indian Act. Personally, I see that legislation as racist, because it treats a whole culture, a whole people as second-class citizens. So I think that the problem before us today is fundamental. This kind of legislation means that thousands of bureaucrats are used to spend this money, so that there is much less left for the very ones who really need it. I remember asking this question on the Beaudoin-Dobbie committee, where some suggestions to improve the Constitution were made. I asked whether this Indian Act was not rather a program for giving employment to white people, white bureaucrats. It tends to drain off the available funds. Instead of going to the native people, it goes to bureaucrats in Ottawa.

• (1545)

That is the problem with the law now in force. I would really like to ask the hon. member if it would not be better to abolish the Indian Act outright. It would be a big step towards recognizing native rights, because since 1985, I believe, the Government of Quebec has confirmed the right of native people to govern themselves. I would really like to know whether abolishing the Indian Act would not be a big step forward for helping native people set up their own government funds.

[*English*]

Ms. Blondin-Andrew: Madam Speaker, I am glad that my hon. colleague, whom I have worked with, has asked that question. He had a prime opportunity to support aboriginal people, which would have allowed us to abolish the Indian Act, and that was the Charlottetown accord. This accord would have allowed us to remove the Indian Act.

The Charlottetown accord would have allowed us to replace the existing Indian Act structure with the inherent right to self-government. This was an opportunity that was lost. I supported this opportunity. I am not criticizing people, I am just saying that it was an opportunity that was lost. It was a prime opportunity where we could have built something and we could have added on to it. Once that opportunity was lost we no longer have that step to take forward at this point that was there at the time.

Sure we can abolish the Indian Act. I am sure, as are my colleagues across the floor. My hon. colleague, the hon. member for St. John's East and the minister have stated numerous times that we have looked for alternatives. The main alternative that we had looked at was the inherent right to self-government.

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, I welcome this opportunity to speak to the opposition motion this afternoon. Perhaps I should point out that the amount set aside annually to help aboriginal people has doubled since 1984. We have doubled the amounts spent by the federal government on aboriginal people, and I think it is important to make this clear at the beginning of my speech. Furthermore, in 1993, the department's budget as a whole increased by nearly $300 million.

That being said, today I would like to review with hon. members what I would call the considerable progress made by the aboriginal peoples and the federal government, in a spirit of co-operation, to improve living conditions on Indian reserves. Many of us already know that improving conditions on reserves is one of the four pillars of our government's program for aboriginal peoples.

Hon. members will recall that a little over two years ago, the Prime Minister announced an action plan that would recognize and preserve the special status of the First Nations in this country. This program confirms Canada's commitment to establishing a new relationship with aboriginal peoples. The program supports aboriginal people in their efforts to bring about changes in their communities that will benefit their families and children.

Since the program was announced, hundreds of initiatives have been launched and have had a very positive impact on the lives of members of the First Nations.

• (1550)

Our commitment to improving the social conditions of aboriginal families and children is reflected in the construction of new schools and new housing—for instance in my own region, a new school was opened last summer in Obedjiwan—social agencies offering a wide range of benefits, and assistance in building water and sewer systems. Hundreds of millions of dollars have been earmarked for aboriginal communities from coast to coast to improve living conditions and opportunities for aboriginal people and their children's prospects for the future.

I think we can say that Canadians realize that more must be done to guarantee that future, but I think it is encouraging to see that native health has improved considerably in recent years. These changes are due both to better access to quality health services and to increased community involvement in education and the provision of health services.

If I may, I shall give a brief overview of initiatives that were started in co-operation with aboriginal people. First of all, the health and water initiative which involves accelerating the provision of safe water and water treatment services on reserves. As you know, Madam Speaker, these new water supply and distribution facilities are vitally important to aboriginal communities. Once these facilities have been upgraded, they will not only protect the health and well-being of residents of the various communities but also preserve the environment. Many reserves are located in natural sites where human activity can have a negative impact on the surrounding land and animal habitat. Waste treatment facilities are essential to prevent pollution and disease. Furthermore, this initiative promotes economic development by making the region more attractive to tourists, investors and local industry. The water and sewage treatment initiative is a concrete example of sustainable development.

Substantial progress has also been made in improving housing standards in many Indian communities. The government realizes that the quality and the quantity of housing on reserves are still a problem and that certain steps must be taken to correct the situation. Nevertheless, the House will appreciate the progress made in recent years in this important field. In co-operation with Indian communities and their leaders, the government has worked very hard to reverse the deterioration of housing on reserves and give Indian bands direct control over their housing programs. It is now up to the bands to decide what is best for their families and children, and the department is helping the First Nations obtain adequate housing by subsidizing housing construction and renovation on the reserves. Government assistance is necessary because of problems caused by legal restrictions in the Indian Act and the limited economic resources of many Indian communities.

Annually, the department allocates nearly $136 million to the housing subsidy program. Over the past 10 years, the Canadian government has supported the construction of more than 30,000 new housing units across the country. The Government of Canada also supports the construction of housing units on reserves by guaranteeing loans. So far the department has guaranteed more than $750 million in loans for housing.

It is clear these are tangible benefits for families living on reserves across this country. The government spends more than $300 million annually to support, either directly or indirectly, housing construction, maintenance and repairs on the reserves.

• (1555)

This spending has clearly had a very positive impact. Nearly 30 per cent of the houses on reserves were built in the last six years, and another 35 per cent were renovated in the same period. Today, almost 95 per cent of these houses have electricity and it is estimated that about 80 per cent of the houses have adequate water and sewage facilities. For comparison, in 1965 less than half the houses on reserves in Canada had electricity and only 17 per cent had an adequate water supply, so we see that there has been real progress on this score.

Again, the government recognizes, I think, that even more must be done to solve the housing problem. We must talk not only about money but about a whole series of things for solving the housing problem. Together with

the leaders, we are working on developing real, lasting solutions to deal with these various questions.

In another vein, we were just talking about education. In our opinion, the Post-Secondary Education Assistance Program is an investment in the future of native youth. Federal spending on it has not doubled but tripled since 1984. Federal spending on post-secondary education will be about $1.1 billion over five years. I think that is a more than reasonable amount. The government's philosophy is to help education because it is the way to a more prosperous future for this country.

Speaking of native youth, I think that we must also deal with the more serious situation affecting many communities, which is the high suicide rate, particularly among young people, and situations like the one in Davis Inlet or Big Cove must be addressed. I think that it can be said with certainty that we are doing so and doing it in co-operation with the First Nations and the provincial governments, which is important. We will continue to do what is necessary to develop long-term, not short-term, solutions for improving the quality of life and living conditions in the various native communities throughout the country.

I think that we must look closely at the many initiatives which have been taken with government funding to help solve the suicide problem. These initiatives are part of the total package addressing the mental health of native youth. The Canadian government gives $54 million a year for the National Native Alcohol and Drug Abuse Program. Again, I think that we must be aware of the efforts made by the government to help all native communities across the country. Take Davis Inlet, for example, and let me point out the work of the member for St. John's East who was mandated by the government to work on solving the immediate problems and also to handle the issues connected with relocating this community.

As the minister of Indian affairs said in this House, we approve and support the relocation of the inhabitants of Davis Inlet and the work on this must be done with the Government of Newfoundland and Labrador and Chief Katie Rich and her council, both for the interim measures and immediate needs and for the development of a comprehensive long-term plan for the community.

• (1600)

Furthermore, immediate action was taken to treat the young victims of this abuse caused by their problems and in the longer term, we will see to it that these young people no longer have this kind of problem. In Big Cove, the government has done the same thing so that what we have seen, heard and read on this subject will never happen again.

It is important to be aware of these realities and of the importance the government attaches to it, both in monetary terms and in terms of the work done by the minister of Indian affairs, or by yours truly in Quebec, with the different communities for the welfare of native people throughout the country and the relations between natives and non-natives and also the relations between native people and the federal and provincial governments.

I think—and I have said so several times since I was appointed to this position—that it is essential to work as a team on this. Whatever the native issue—health, education, land, et cetera—I think it is essential to work as a team. In this regard, I would like to point out the excellent exchange this afternoon between a Liberal member and a member of my own caucus who work together on the Standing Committee on Aboriginal Affairs. I think that such co-operation is essential in the approach that this government wants to take to solve the problems in the community and in the various communities across the country.

There is also the problem of family violence. Again, the government and the department have acted on it. In a four-year period, a little over $36 million will be spent in order to solve the problem of family violence in the various communities.

Each Indian community must determine its priorities. The government, the department of Indian affairs and the Department of National Health and Welfare must be there to provide money, yes, but also to help each community according to its priorities and its needs. The more we do as a team, the more positive results we will see. Take this year, 1993, for example, when 78 per cent of the money will be spent directly by the First Nations. I think this is a very positive indication of the progress that has been made on native issues since 1984.

Nevertheless, much remains to be done, but I think that we are on the way to solving the problems. We would have liked them to be solved yesterday, but they will be solved today or tomorrow. In any case, these problems are being solved and steady progress is being made. This is important for native people throughout Canada because they have things to say to the federal government and they also have their own work to do, just as the federal government has its work to do. With such an attitude, I think that a tremendous amount can be done to achieve our objectives.

• (1605)

In closing, I would just like to remind the House that the motion being considered today does not quite reflect reality, unfortunately, I think. Considering the amounts of money and the work being done by the government and the minister of Indian affairs right now, great strides have been made and we will continue to work with this philosophy in mind—with the co-operation of the opposition, I hope.

[*English*]

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I listened with a great deal of interest to the new minister's speech as it relates to a very important issue, which is what is going on in the country called Canada and how this government and past governments have dealt with aboriginal people.

After listening to the minister's comments one would think that there are not a lot of grave difficulties in the country, things are moving and progressing very well, and aboriginal people should be very happy.

I would like to remind the minister opposite, who is fairly new at the job, that on Tuesday, September 25, 1990 we had a very similar discussion in this House when we dealt with the issue of the crisis at Oka. The discussions we had at that time dealt quite extensively with the same things we are talking about today. There are tremendous problems out there and the government has missed all the signals.

I want to remind the minister what the signals are, just so he will know, and then I want to ask him a very specific question, which as the minister responsible he can easily deal with first hand.

The crisis is happening before the minister's eyes. In Davis Inlet six youths attempted to take their own lives; at Big Cove there were nine suicides in as many weeks; and in my riding, in the Treaty Nine Nishnawbe-Aski Nation territory there have been six youth suicides since the end of December, one as young as 11 years old.

This is not the first time I have stood up in this House and mentioned this problem. So the minister can put this in perspective, since 1988, when I was elected, more than 60 youths and young adults have taken their lives and another 800 have attempted suicide and failed in my riding alone. These numbers reflect that the suicide rate in our part of the country is seven times the national average.

If the minister can stand in his place and say that we are really making progress then he has not been in the same communities that I have.

I want to put a very specific question to the new minister. My understanding is that two weeks ago the minister met with the grand chief from Kanesatake. Two weeks ago he was asked a very specific question and to this date has not given an answer, as far as I know, to the request by the grand chief. In 1990, after the Oka crisis, the committee that I belonged to at the time, the Standing Committee on Aboriginal Affairs, was asked by the people to look at the proposal for healing called *Breaking All Barriers*. To this day that healing program in Kanesatake has not taken place.

I would like to ask the minister if he would tell me why. This is a very small request in the over-all crisis that we are dealing with for a community like Oka, which went through probably one of the most severe situations that any community would ever want to face in this country or any country in the world. It had the army come in on them and was put in a situation where for generations the scars will be visible to everyone, as we talked about that night.

Now is the opportunity for the minister to do a very small thing, and that is to accept the recommendation of that community for the necessity for a healing program and put it in place.

• (1610)

[*Translation*]

Mr. Vincent: Madam Speaker, I have taken note of the hon. member's comments, and I would like to say that so far, I have had two meetings with the grand chief of Kanesatake, and I think that in both cases, we had some excellent discussions. One important point was that we

should negotiate with him, and so far, that is what I have done. We met again two weeks ago. I noted his comments and I believe he did the same with mine. The matter referred to by the hon. member was raised, and I will report to the grand chief within the timeframe we both agreed on.

[*English*]

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I have a question for the hon. minister who has just spoken on this matter before us today. The minister may be aware that I rose in Question Period a short while ago to ask about economic development funding scheduled for aboriginal communities.

The chief of the Federation of Saskatchewan Indian Nations, Chief Roland Crowe, wrote to the Prime Minister on February 10 expressing concern about potential cuts to economic development programs as a result of the finance minister's mini budget on December 2. At that time Chief Crowe indicated that the Saskatchewan Indian nations had done a study of what potential cutbacks would mean. He said they would devastate the emerging First Nations economies, create bankruptcies in Indian commercial and industrial fields, result in the countless loss of existing jobs and damage the future of their communities and their memberships. They acknowledged that they are the most disadvantaged and deprived group in the country. Chief Crowe put this on the record on February 10.

Last week the government issued the 1993–94 estimates and confirmed that this government has cut back funds for economic development to the Indian bands for 1993–94. I quote from the estimates that we have from the other day. Economic development is on page 14–7 of the estimates: 1992–93 estimates were $54 million and for 1993–94 the figure is $33 million.

We see the government removing the tools necessary for growth in the aboriginal communities, some $21 million in the coming fiscal year.

I would like to ask the minister how at a time when Indian people require economic development to ensure the futures of their communities the government can justify the removal of money from the economic development portfolio.

[*Translation*]

Mr. Vincent: Madam Speaker, I would like to point out to the hon. member that, as I said at the beginning of my speech, in 1993–94 the amount the Canadian government will spend on aboriginal people will not go down, it will increase. I think this bears repeating, because the hon. member may not have realized this just now. If the budget increases, I think the hon. member should congratulate us, considering the difficult budget decisions that had to be made by this government in all departments.

• (1615)

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I appreciate the opportunity to take part in this debate although it is not a debate that we want to see happen in this House over and over again, as has happened. I should remind the House what the motion is. It states:

> That this House condemns the government for its abandonment of aboriginal families and children.

As one of my colleagues from the Liberal Party pointed out just a few minutes ago, this is not the first time we have dealt with this kind of motion in the House.

As I said before, we deal with it over and over again. It does not really seem to matter which government is in office, whether it is the party opposite or the party to my right, this same motion seems to come up on the floor over and over again. At some point, the people in this House have to take seriously what they are debating and take a serious look at the information that is being placed before them.

I congratulate my colleague from Nunatsiaq for bringing this motion forward. I congratulate my colleague from Western Arctic and the minister for being involved in the debate. It is an extremely important debate.

It was precipitated, as members know, by a number of stories in the media recently that have placed a stain on Canada's reputation as a promoter and supporter of human rights, both nationally and internationally.

The incident at Davis Inlet a few weeks ago was mentioned earlier, where a number of children barricaded themselves in an unheated building with gasoline and other materials, including inhalants to sniff, hoping that they would inhale enough of this material and it

would become cold enough that they would kill themselves and not have to face the morning.

What kind of a country is this that Canadian children feel they are forced to do this kind of thing? They are children being forced to commit suicide so that they will not have to live through the terror of the following days.

Members will recall that in the same community the same kind of thing had happened over a year ago. Again children found themselves in an unheated house. Forced to heat the house, they created a dangerous fire situation and burned to death. This was in the same community a year previously.

What kind of people in a country like Canada are forced to the kind of despair where they are willing to burn themselves to death? They really did not care whether they burned themselves to death because it was better to them than facing the terror of the next day.

The same thing has happened, as my colleague from Kenora—Rainy River pointed out, in the area around Big Trout Lake in the Nishnawbe-Aski area of northern Ontario where there have been 800 suicides attempts since he took office in 1988. Eight hundred Canadians, most of them very young, most of them teenagers, attempted to take their own lives rather than face the terror of the following days.

How would you feel if you were a parent of one of those children and you tried to tell them there was a better future for them? Would you feel comfortable taking the minister's comments that we have actually added a few more million dollars to the departmental budget of the department of Indian affairs and that that is going to prevent these children from doing that kind of thing? According to the minister, they will not have to do that any more because the government has added a few million bucks to the department of Indian affairs. Certainly that holds no promise for these children.

At Big Cove in New Brunswick, we heard the same thing. I watched parents interviewed over and over on television being asked about the suicide epidemic. The elders in the community were being asked about the suicide epidemic. They felt almost like a kind of tidal wave, that their own children were doing it and they were powerless to stop it. They do not know which buttons to push. They do not know which arguments to make. They do not know what is going to be affected. Their children simply do not want to live through the terror of the coming days.

• (1620)

There are not many of us in Parliament today, but we in Parliament have been given an opportunity—and again I would like to congratulate the two members who put forward this motion—to take this issue of the suicide of adults, young children and teenagers in aboriginal communities seriously.

It is unfortunate the way the motion is worded but on opposition days that is the way you have to word motions. It means that the government has to vote against it, the opposition has to vote for it and as a result nothing comes of it. If only there was a sense on the part of the people in this House that they really wanted to deal with the issue through a motion like this and that the three parties could get together with the independents and get something going that will stop what is happening in aboriginal communities.

As I said, this is a stain on our reputation internationally. I am astounded at the reaction the government has to the incidents that took place at Davis Inlet, at Big Cove, at Big Trout Lake and in other communities around the country. It sends the deputy minister around on a tour of Europe on essentially a mission of denial, telling people that Indians actually have a great life here in Canada and not to pay any attention to those isolated incidents at Davis Inlet, at Big Trout Lake and Big Cove. They are told to ignore those incidents because that is not the real Canada.

It is a process of denial that we should not be involved in because aboriginal children in this country have the highest rate of suicide in the world. It is not just seven times the rate of other children nationally or other teenagers or other populations nationally, aboriginal people in Canada have the highest rate of suicide in the world. There are reasons for this and we should be looking at those reasons.

Instead of one party attacking the other party attacking the third party over their failure to deal with aboriginal children and families, we should actually be developing

solutions and motions that all three parties can vote for so that we can get something done on this issue.

The minister's response is that the government has increased spending by a few million dollars. Nobody believes it. My colleague from Western Arctic pointed out the series of budget cuts that have taken place recently. A lot of those budget cuts have been done on the backs of aboriginal people.

What has been cut? Aboriginal friendship centres that serve a tremendously valuable purpose to people who have left their reserves in the country, have come into the cities and need the kinds of services that are provided by friendship centres in order to survive in what they see as a culturally hostile surrounding. It makes it easier for them to live and work in the urban community when they have support organizations such as friendship centres.

Not only that, those friendship centres have been closely audited by the federal government. I wish it audited those as closely as the helicopter acquisition program because a tremendous amount of the waste and the kickbacks and the money that falls through the cracks in the helicopter acquisition program could fund friendship centres into the next century.

Mr. Turner (Halton—Peel): Madam Speaker, I rise on a point of order. I just heard the hon. member opposite state categorically that there were kickbacks involved in the helicopter acquisition program. I would like him to prove those allegations or withdraw.

Mr. Skelly (Comox—Alberni): Madam Speaker, as I was saying, the money that falls through the cracks in that helicopter acquisition program could fund friendship centres into the middle of the next century with absolutely no further expenditure on the part of the—

• (1625)

Mr. Turner (Halton—Peel): Madam Speaker, I feel it is highly irregular, improper and unparliamentary that the member opposite would allege financial impropriety and a criminal act in this House without offering any justification for that whatsoever.

I would ask him if he has any information to let the House know or certainly the Speaker would ask him to withdraw.

Madam Deputy Speaker: I am sure the hon. member for Comox—Alberni, the way I heard it, maybe wrongly, was not making accusations when talking about money falling through the cracks. This was not necessarily making allegations of any wrongdoing.

Should he have said anything which I did not properly understand that implied any such wrongdoing, I know he would want to rephrase his sentence and make sure that he does not imply any wrongdoing by anyone in this House or any other place. Or should he know of any wrongdoing, he would tell people who should know and must know.

Mr. Taylor: On the same point of order, Madam Speaker, as I heard the hon. member speak he said very much as you have interpreted his words. I think if the hon. member for Halton—Peel has a question or comment he can reserve it for the question or comment period, but at the moment I would very much like to hear the hon. member get on with the important things he has to say.

Madam Deputy Speaker: I think the hon. member for The Battlefords—Meadow Lake should allow me to do my job properly. I will at this time give the floor back to the hon. member for Comox—Alberni who I am sure will do the right thing by everyone.

Mr. Skelly (Comox—Alberni): Madam Speaker, I have a tradition of doing the right thing by almost everyone so if I offended any of the members by any of the words I chose then I most happily withdraw those words.

The issue we are concerned with here is the kind of expenditures and priorities that the government is making. The government on the other hand seems to be ignoring the loss of life, the huge suicide rate, which is the highest suicide rate in the world, that affects aboriginal people. I would have expected the member who was concerned about kickbacks to be on his feet talking about the suicide rate and to be expressing a concern about it but if the word "kickback" that he managed to isolate from my speech did offend him I most certainly withdraw it.

But I want that member to know that I am offended and many Canadians are offended, and many hundreds of millions of people around the world are offended by his government's treatment of aboriginal people. It is a fact that aboriginal people, mainly young people, have the highest suicide rate in the world and they are certainly looking to him to find out what his interest is and what he intends to do about it. I have not heard him lift his voice in this House once on this issue. It is an

important issue that affects the reputation of this country internationally.

This country can spend $5.8 billion on helicopters that are of doubtful value to use in a style of warfare that is long in the past, to use against enemies that have long ceased to be our enemies. Yet we are still spending $5.8 billion on those purposes while we are telling aboriginal people that we do not have the money to meet their basic fundamental, social needs in order to come up to the same level as all other Canadians.

What kind of members are they over there? The more I think of it the more this—

Madam Deputy Speaker: The hon. member is starting to impute motives and this I cannot let go. I think we can discuss the subject that is before us today on this motion without imputing motives to anyone.

Let us stay with the subject and I think we will be on the right track.

• (1630)

Mr. Skelly (Comox—Alberni): It is hard not to get angry on this issue when, as I said, hundreds of aboriginal teenagers are dying and nobody seems to give it that much attention. That is the whole point of this resolution and the whole point of the member presenting it. I certainly salute those motives and those intentions.

I listened carefully to the minister's response. It is a response that we seem to get all the time when we bring these questions before the House of Commons. The government seems to have this response. In fact it developed the response through an organization that developed a program called Special Words and Tactics.

The government found out through its studies that Canadians were concerned about what was happening to aboriginal people. They were concerned about the high levels of unemployment in aboriginal communities. They were concerned about the high levels of poor health and about the survival of aboriginal children. They were concerned about the high rates of violence in aboriginal communities.

Canadians are sympathetic. They demand that their government deal with those problems. The government says how much money is being spent on aboriginal communities. In order to develop the figure, it uses every stamp licked to send pension cheques to retired Department of Indian and Northern Affairs public servants. It pads that bill to about $4 billion, almost the cost of the helicopter program. It pads the figure unmercifully to show Canadians that it is spending a tremendous amount of money, but in fact it is not and the evidence for that is the rate of suicide among aboriginal kids.

I am a member of the aboriginal affairs committee of this House. Members of that committee work well together because we take a problem solving approach. We have travelled to many of the aboriginal communities around the country and we have seen the problems firsthand.

It does not matter whether members are from the Liberal Party, the Conservative Party or other party members who attend the committee. Once they have seen the problem they know they have to start developing solutions for them. They know solutions cannot be developed unless they enter into a process of consultation with the people involved who are better able to solve their own problems provided they have the resources. Then solutions can be worked out.

I suppose that is what I was hoping would come out of the resolution, but I gather from the minister's response to the resolution that the government intends to vote against it. I really do not see how it could do otherwise.

We did a study on aboriginal housing. We listened to the people from the Department of Indian Affairs and Northern Development tell us that of the 70,000 on-reserve housing units in this country, 35,000 of them are unliveable, as Indian Affairs staff described. Half the housing units used by aboriginal people on reserve are being described by the department responsible for them as unliveable, and 60,000 more units are needed to bring housing standards for aboriginal people up to the same level other Canadians enjoy.

The cost of that program would be in the order of $2.5 billion to $3 billion. That is not a great amount when we compare it to the cost of the helicopter program. When we look at the damage being done to Indian families and to aboriginal children as a result of the housing problems we cannot afford not to spend that money.

I said it would take $2 billion to $3 billion but that $2 billion or $3 billion, if it were spent in the right way, would generate a tremendous amount of employment in aboriginal communities building the infrastructure, the sewer and water systems, the roads, the foundations and the houses. All this effort, all this work, could provide employment for aboriginal people currently unemployed and drawing welfare. It would draw down the deficit of the country and make those citizens producing, contributing citizens again. They want to do it. It is just that the government has not taken its place in the partnership and has not provided the resources.

• (1635)

We found that bad housing causes a lot of problems when we visited those communities where housing is a problem. It causes problems such as alcoholism, abuse, domestic violence and sex abuse. It causes problems with education. All those problems related to housing cost the country millions of dollars. We could deal with the problems by reducing the amount of overcrowding in housing and making good quality housing available to aboriginal people.

I will wind up by saying that it is a good resolution. The government should pay attention to it. We are not providing enough resources and the government has the resources. The helicopter program has shown that. Why does not the government respond to this situation and do what should be done rather than hark back to the amount of money it is currently spending, which clearly is not enough or we would not see the symptoms we are seeing in aboriginal communities?

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I listened with great interest to my colleague with whom I have sat for a number of years on the Standing Committee on Aboriginal Affairs. He will know that since we have been involved on the same committee there have been discussions and studies dealing with housing.

The issue in a nutshell is simply that since 1983 we have been in the process of studying a housing policy for aboriginal people. Later when I have an opportunity to speak I will give the numbers of the backlog and the percentage of those who do not have sewer and water. We could go on and on about how grave the issue is.

Could my colleague give us some indication from his perspective of why it is that the government, knowing the particular backlog and knowing how overcrowding can affect the lives of young people, cause mental stress and anxiety in these communities and result in the suicides we talked about, would not come forward with a comprehensive policy program to deal with the very real problem of a tremendous lack of good housing in First Nations communities?

Mr. Skelly (Comox—Alberni): Madam Speaker, it is an excellent question. One of the reasons the aboriginal affairs committee dealt with the housing issue in the first place was that the member lobbied the committee because of the concerns he had for housing in his riding and in northern Ontario. It is a major issue.

It is surprising that the government does not deal with this issue. The government says that it wants to get the economy of Canada going again. It wants to get us out of the recession. It wants perhaps to focus its programs on some of the poorest of poor Canadians so that they can begin to lift themselves out of the recession. It wants to do away with and reduce the amount of welfare and unemployment insurance it is paying.

Here is a clear opportunity for the government to do that. It could start rebuilding the aboriginal housing stock and providing some of the 60,000 new units needed to accommodate the growing aboriginal population. It would create tens of thousands of jobs, as I pointed out. It would restore hope in aboriginal communities. It would get people away from the kind of desperate life-style that drives them toward substance abuse as we have seen in Davis Inlet.

This is the kind of thing the government should be doing to bring Canada out of the recession. In addition it would bring the welfare charges down, as I pointed out before.

This has all the elements of something a government should be doing to cure the problem of the recession. Why do government members not do it? I suspect it is because they are Tories. They do not really feel that the government's role is to get involved in the economy that way. As a result, it is ideology that is preventing them from doing something that would be valuable for the Indian people, valuable for the country and valuable for all Canadians.

• (1640)

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I take great exception to the slurs the hon. member has cast on this side of the House in his last comments. They are totally unfounded. They are totally uncalled for. They are totally inconsistent with the record of the government.

If my hon. friend would look at the level of funding and the increase in the level of funding to health, education and housing for aboriginal communities he would withdraw that statement. Those areas of government spending have grown faster than anything else in the budgets of the country.

Mr. Mills: You should go to look at some of these places.

Mr. Wilson (Etobicoke Centre): I say to my hon. friend from Broadview—Greenwood that no one in this House is happy with the state of some aboriginal communities.

What I am calling into question with my hon. friend from the New Democratic Party is his motive for saying that we do not care because we are Conservatives. People on this side of the House do care deeply and that is why the funding in these programs has increased as quickly as it has.

Mr. Nault: Housing funding has gone down.

Mr. Wilson (Etobicoke Centre): Madam Speaker, I say to my hon. friends on the other side that these areas are of deep concern to the government. This is why these areas have received the levels of funding they have. I would ask my hon. friend to withdraw his statements.

Mr. Skelly (Comox—Alberni): Madam Speaker, I have no intention of withdrawing statements made by me in the debate when I repeated statements that have been made around the world, condemnations of this country and the way it treats its aboriginal people. My understanding is that this year those condemnations will appear in the UN development report which this minister touts around the country to show that Canada has the highest standard of living in the world.

Women rank number seven or even lower in terms of their standard of living in Canada. Aboriginal people rank far down on the list. Everybody knows that Canada is not doing the job it should be doing.

You are one of the ministers responsible. You should read your own budget and you would find out exactly what—

Madam Deputy Speaker: The hon. member has been here long enough to know that he should address the Chair and not the minister directly.

There are three minutes left. I will recognize someone else on questions or comments.

Mr. Nault: Madam Speaker, for the record I will correct the minister who mentioned that the three areas of funding have gone up. Since 1983 on-reserve housing funding has not gone up. That is one of the major problems and one of the reasons we are in a crisis position now.

If the minister wants to put facts before the House he should perhaps take a closer look. The population on reserves since 1981 has grown by 37 per cent and housing funding has not kept pace. Therefore we have a tremendous backlog.

Mr. Wilson (Etobicoke Centre): It has gone up.

Mr. Nault: No, it has not gone up.

Mr. Wilson (Etobicoke Centre): Check the figures.

Mr. Nault: No, it has not since 1983. I would like to get back to my friend in the NDP for a second and ask him a question directly. If his party were to be in government, how would he perceive it dealing with the crisis and getting housing stock back up to the level it should be for aboriginal communities?

Mr. Skelly (Comox—Alberni): Madam Speaker, as the member knows, I was one of the members on the aboriginal housing committee who made a number of recommendations to government. The report of that committee was a unanimous report and I stand by the recommendations made in it.

The problem with this issue is that the government, as I said in my speech, has to make the resources available. It has to give aboriginal peoples the right to be involved in the design, the development and providing housing to the standards needed in their own communities. I know the member is familiar with the contents of the report, but I think what is needed in this case is the money and that is $2 billion to $3 billion to provide that kind of housing. The infrastructure is also needed but also we need to permit aboriginal governments to develop housing and to design housing that suits their needs rather

than to allow the department of Indian affairs to acquire housing for them on a low-bid system outside aboriginal communities.

• (1645)

There is a tremendous possibility for job creation and for the enhancement of aboriginal governments if they are allowed to develop their own housing programs but they need those transfer payments, resources and the power to develop their own housing.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I am extremely pleased to be given the opportunity to address this particular topic today.

It would seem to me that what we need to do is to highlight one flagrant contradiction. The government, it seems to me, without exaggerating the discussion that has just preceded, is in fact speaking with a forked tongue. The government is speaking internationally about aboriginal rights and the importance of the aboriginal year. Yet, at the same time, there are serious cuts that are being undertaken to aboriginal programs. I will give those in some detail shortly.

What we have to recognize is that the aboriginal people are really suffering a double or triple hit because they have an extremely unique and distinct situation in our society that I would like to explore with my colleagues and with Canadians who are listening.

Let us look at the government's record on education. When we do that let us remember that we are talking about all Canadians and that includes in a number of instances many aboriginal Canadians that are being affected. If we look at EPF reductions, cuts in transfers for health and education, from the government in Ottawa to the provinces and territories, we will find that roughly $30 billion will have been cut in the course of a decade. It is about $20 billion for health and about $10 billion for education.

It is important to recognize that it is not only all Canadians, but within that particular group our aboriginals are also being hit. Look at training and retraining. There are a lot of debates about increases in funds. There are increases in funds but it is Canadians who are paying those funds to the government to use for training and retraining. It is not from the general revenues. Look at the need, at inflation and at what was promised Canadians in terms of the best training programs in the world. We should recognize that not only all do Canadians need more training to bring them up to date, make them more productive and make them more competitive, but aboriginals are also involved there. They are being hit here as well.

Look at research and development. The government promised to double its investments in research and development. We know that it slipped dramatically. It is not even close to what it had hoped. In fact, it has slipped from what it was. It was 1.40 of Gross Domestic Product and I think it is around 1.20 right now while our major competitors are at 2.80. That affects our aboriginal communities. Within the area of research and development is the whole field of social sciences that looks at questions of abuse, poverty and many other social challenges that this nation faces.

Of course we recognize that our aboriginal peoples are affected in a very dramatic way by some of the social difficulties that Canada is experiencing as a whole. Any reduction in over-all funding will affect them too.

Look at illiteracy for example and the number of functionally illiterate Canadians. We recognize that there is a disproportionate number of aboriginal people. Yet there was a reduction in the most recent government estimates on investments in literacy. Therefore, our aboriginal peoples are being affected negatively over all.

Let us look more specifically at aboriginal people *per se*. We know the plight of native Canadians. We can argue all we want whether or not the government has been fair or unfair. I do not think that is the issue. The issue is how much is needed to correct the situation. What is it that we need to do to make sure that they get the same opportunities that the rest of Canadians do? That is the question that we need to be addressing. Look at the unemployment rate, for example. It is high. It is in excess of 11 per cent. There are over 1.6 million Canadians unemployed. However, if we look at aboriginal peoples *per se*, we find that they are hit dramatically. Look at social assistance. There are over two million Canadians who are on social assistance. Look at the number of aboriginal peoples who need social assistance and compare their numbers as a proportion of the whole. Look at illness and suicide and other measures such as that. We find that our aboriginal people do not compare favourably at all.

• (1650)

If we look at housing there is an awful situation. It is extremely disappointing. Look at the drop-out rates in elementary and secondary schools and at the number of graduates in colleges and universities and then compare that to the whole population. We find that they do not compare favourably.

I maintain that it is not their fault. I maintain that a series of governments over the years, perhaps well intentioned, have not been able to make the progress they should have made. What we need is more assistance. What we need is a renewed commitment. What we need is a recognition of the problems. What we need is to stop arguing about whether we increased it or decreased it. What we need is to put forth the resources that are required in order to permit aboriginal people to compare favourably with their Canadian counterparts who are their Canadian brothers and sisters.

Look at post-secondary education specifically. You would know, Madam Speaker, that there has been a cap placed on it. Of course, that has been increased somewhat and I do not want to get into that argument. However, let us remember that there are more aboriginal peoples today who want to go on to post-secondary education. Obviously it needs to be increased.

We have new legislation that permits members who were otherwise outside of the aboriginal community now to get into the aboriginal community. The ranks have swelled. Look at the cost of education over the last few years. Those costs have skyrocketed so any kind of cap, whether it be minimal or otherwise, needs to be increased substantially under those circumstances.

I want to share with my colleagues here in the spirit of openness and debate some of my concerns. I have a memorandum and I just want to raise a couple of frustrations that have been shared with me. I quote from this particular memorandum from MMC in Ottawa: "To date there have been no self-government agreements concluded with Métis people". There is a great sense of frustration.

I want to share with you the sense of frustration that our aboriginal peoples have had when $21 million has been cut from economic development for Indian Affairs. Economic development provides education, jobs, training and learning. There was a further cut of $6 million from the aboriginal economic strategy by ISTC. There again was a major blow or hit suffered by our aboriginal peoples.

Why was 10 per cent cut from the native friendship centres?

[*Translation*]

We know these friendship centres not only welcome the people from these communities who come to our cities but also provide all kinds of support, including apprenticeship programs.

[*English*]

One million dollars have been taken away from the Northern Native Access Program.

[*Translation*]

Why? This was a very successful program that gave our aboriginal people access to some very important positions.

[*English*]

Why has government reduced funding to aboriginal political organizations? I know that they can be somewhat difficult on governments no matter what governments they are, but surely this is a problem. There is the Arctic Environment Strategy, which is a program that affects our aboriginal people. Why has this been cut by $2 million?

Here is the basic question. I do not want to raise the question of helicopters again, but I do want to raise the question of priorities. These are important dollar cuts to these small groups of people that are not being given the same opportunities. Look at large expenditures in relation to those smaller expenditures. Canadians and aboriginals are asking why this is happening.

I simply say that I do not think it is people—

[*Translation*]

—who are knowingly intent on doing the wrong thing. I think they just do not have their priorities straight.

[*English*]

It was a year ago today that this House honoured Louis Riel. I shall terminate with a quote from my address on that particular day. I am sharing my time with my colleague the member for Kenora—Rainy River. I want to leave perhaps on a note of some optimism. Last week in Manitoba there were two important historical events. A Métis was named Lieutenant-Governor of Manitoba. Hopefully that appointment will permit our aboriginal

peoples to re-energize, to go forward and to realize some of their goals that have been long outstanding.

• (1655)

Last week in the province of Manitoba, the Supreme Court decision with respect to the government and French language schools was also important. It has implications—

[*Translation*]

—for Francophones across Canada, and I imagine for Anglophones in Quebec as well. But I think it could also have implications for our aboriginal people.

[*English*]

If francophones and anglophones can manage their school systems, as I think they should—

[*Translation*]

—why not aboriginal people?

[*English*]

It would be a great step forward if somehow we could empower them to take over their education and training and retraining opportunities for their peoples.

[*Translation*]

I want to conclude with the following quote:

[*English*]

In the spirit of justice, and at a time of great instability in this country, I urge the House to take one more step to recognize Louis Riel not only as a founder of the province of Manitoba but also as one of the Fathers of Confederation. A year ago we made that statement.

I am hoping that these gestures, along with political will, will permit us to go forward.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I am delighted to be able to listen to the comment of my friend from St. Boniface across the way.

In his day he has been an educator and an administrator in the field of education, both in Manitoba and northern Ontario. He and I have had a number of opportunities to discuss the concept of minority education. We discussed education for those groups in which he is particularly interested, the francophone communities of Manitoba and Ontario, as well as the aboriginal communities of Ontario and Manitoba and others across the country.

He quoted a number of figures. I am sure he would like the opportunity to comment or correct me if I am wrong. I know he would want to be as accurate as possible. He always has and always will.

There is never enough money for education. There is never enough money for a lot of things. However, in my mind and in the mind of the hon. member for St. Boniface, there will never be enough money for education.

Despite that, in the area of education for aboriginal communities expenditures for education have increased by $80 million, by 9 per cent. In fact there has been an increase in spending for education since 1981–82. The amount spent on elementary and secondary education has gone up 9 per cent a year, from $272 million in 1981 to $683.7 million in 1992–93.

The number of elementary and secondary students has grown 1.8 per cent annually from 80,000 to 96,000. The most important number to me, and this does not refer just to education, is that 77 per cent of the nearly $5 billion that the Government of Canada spends in this area is spent by band councils. Of the money that we spend, 77 per cent is spent by band councils.

In band-operated schools the number of students has increased from 13,000 to 40,000 over the past 10 years. Thirty per cent of the teachers in band schools today are Indian teachers. That is a direct result of the efforts that have been made to expend moneys to ensure that aboriginal students can take advantage of post-secondary educational opportunities.

The funding for post-secondary education has increased from around $200 million to around $213 million. The pathways program has not been cut this year. It is a very important program in which people come together co-operatively to address some of these issues.

I know that my friend from St. Boniface would allow me to make sure the record is straight.

[*Translation*]

Mr. Duhamel: Madam Speaker, I appreciate the hon. member's comments and the statistics he shared with us. I do not challenge them, because I did not have a chance to look at them.

[*English*]

As I indicated before, the debate should not be so much about how much the increase or decrease has been. Decreases are serious in any programs because our aboriginal peoples have so many needs.

• (1700)

If I, for example, were to take a decrease in salary of $1,000, $2,000 or $3,000, it would not be nearly as serious as if I were earning $12,000 or $13,000 a year. That is the issue that we are debating today. Of course there will never be enough money for all of the things that we want to do for our society, I appreciate that. However, at the same time we must continue to strive to remedy that which is wrong. This is definitely wrong.

I know my colleague well enough to know that he shares a belief in the direction in which I want to go. That is, to respond to actual need to the extent that we can and to try to avoid cuts affecting those small groups who depend very much on that kind of support and whose only real opportunity to get out of the cycle of poverty and some of the social difficulties they are encountering is through education, training, retraining, and economic development.

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I would like to enter this debate by making a similar suggestion to the members opposite as I did many months ago in September 1990 when we discussed this same kind of situation as it related to another crisis that was at hand, which was the crisis of Oka.

At that time I said to the people across the way that it is important that they listen before the crisis takes place. The problem we are facing again today is the same problem we faced in 1990. It is that the government goes through the motions and pretends to be listening to what Canadians and members of Parliament opposite are saying, but in fact it is not.

I am going to put some things on the record and would be very pleased if anyone would wish to dispute them and get into the argument.

The government has abandoned aboriginal families and children by ignoring the socio-economic issues after the failure of the Charlottetown accord. It has washed its hands of all aboriginal issues, resulting in families and children being ignored. Examples of that, and there are many more, include Davis Inlet where six youths attempted to take their own lives and Big Cove where there have been nine suicides in as many weeks.

In the area where I come from in northern Ontario, which is Nishnawbe-Aski Nation territory, there were six youth suicides since the end of December, one as young as 11 years of age. Since 1988, and this is something that I have raised on many occasions, there have been more than 60 youths and young adults who have taken their lives and, this is something which the people across the way sometimes tend not to focus on, there have been 800 other suicide attempts that have failed.

We do not have to ask ourselves why on this side of the House. We know why. Aboriginal youth in northern Ontario feel a sense of abandonment by their governments. The suicide rate in Canada among aboriginal peoples is seven times the national average. We have to ask ourselves why.

I will explain why. It is because this government has failed to implement a mental health policy for aboriginal peoples. That is why. It is not that we have to do more studying. It is not that we need to consult any more. The time for consultation and study is over. It is now time for action. We need a mental health program in this country.

Wellness does not only include physical well-being. It is absolutely essential that a national aboriginal mental health policy with programs aimed at dealing with suicide and the crisis in aboriginal communities be implemented immediately. We do not need any more studies, we need action.

Let us look at some of the root causes of aboriginal suicides. As has been mentioned in this House today, there is a housing crisis in aboriginal communities. We all know that overcrowding in aboriginal homes is 16 times the national average. Half of on-reserve housing is inadequate and unsuitable for living in. Those numbers are well known.

We as a standing committee, as I have mentioned before in this place, and other members across the way have studied the issue on behalf of aboriginal people. We know what the numbers are. We know what the statistics

are. It is now time for the government to come out with a policy to deal with this situation.

• (1705)

As a result of this kind of situation aboriginal youth have no privacy for studying and no space they can call their own. They are surrounded by too many people in these small houses.

Has the government moved to address the on-reserve housing crisis? No. The funding levels for housing, as I mentioned to the Minister for International Trade, have not increased since 1983. Family violence is an offshoot of overcrowding, the lack of funding for education, and the lack of a mental health program.

Aboriginal youths are finding it impossible to deal with violence that they live with on a day-to-day basis. Many see committing suicide as the only way to escape that violence.

Another issue is the economic development situation. This government likes to talk about the importance of economic development for the future of Canadian citizens, and of course aboriginal people are a big portion of that.

On June 12, 1989 in Calgary, the minister of state for small businesses announced the creation of the Canadian aboriginal economic development strategy, known as CAEDS. The minister remarked that: "Even in this day of expenditure restraint the federal government has demonstrated the importance it attaches to aboriginal economic development by maintaining and indeed somewhat increasing the level of resources that it will devote in this area. As important as the amount of money so allocated is to the Government of Canada, it has decided to commit itself to long-term support for aboriginal economic development. Unlike previous programs that had sunset dates this money will form part of the government's base budget and will not have to be renegotiated every five years".

As we all know in this place, that is a false statement as of this date. We all know that the Main Estimates for 1993-94 tell another story. Funding to economic development has been cut for this year from $69 million to $48.7 million, a reduction of 28.8 per cent.

What we can read into that whole process is that we would rather pay welfare than stimulate economic development and get aboriginal people back to work. Welfare payments to aboriginal people also come from the public purse so if we want to continue to pay welfare payments in this country then we will continue to do what the federal government has done in its estimates, which is cut the tools that will give people the ability to have jobs and create jobs for their own people.

The unemployment rate in aboriginal communities in my riding stands at over 60 per cent in some cases and is as high as 80 per cent in others.

Aboriginal youths have very little opportunity to find jobs on reserves. Now that economic development funding has been cut their chances of finding a job are almost nil.

Aboriginal youths feel a sense of despair. They have lost hope in their future. They see no way out of the cycle of poverty and dependency. They see a government that does not give a hoot. They feel abandoned. They take what they see as the only avenue left, which is to take their own lives.

This is a national tragedy and an international disgrace. We are supposed to be a caring and compassionate society, but instead our national government has abandoned aboriginal families and children.

It is unfortunate that we on this side of the House have to come forward with a condemnation of the government's record on aboriginal issues and suggest an opposition motion which would say to people in Canada that we as parliamentarians in the federal government have done a disservice to our people and their future by not taking this issue as seriously as we should.

We have also done something else. We continue to not listen to people when we are told as parliamentarians that a crisis is looming in particular sectors of our society.

• (1710)

As was mentioned before, and I think it is important to put this on the record as it relates to housing, overcrowding in housing is 16 times the national average. The backlog requires 12,000 units to address it. Funding has not been increased since 1983.

If we want to seriously deal with aboriginal youth suicide in this country we are going to have to deal with the causes. The causes of course are the despair that people feel because of the lack of a mental health policy by the Government of Canada and the resources necessary to have good mental health programs. There is the very important issue of a stable environment through a decent place to live without which causes family violence and with that the despair I have been talking about.

I hope we have been able to suggest to government that there is a crisis and that it not continue to bury its head in the sand and say: "Look at all the nice statistics. The budget has been increased in certain areas by 5 per cent, 10 per cent or 12 per cent". When the population is growing on reserve four times higher than the national average, a 37 per cent increase in the last 10 years, these piddling increases to the budget are not going to resolve the difficulties and the crisis in those communities.

If members opposite and the ministers that are responsible want to give aboriginal youth a chance and a decent hope for the future, they have got to get on with the job of creating programs that are effective and that will work.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have a brief comment to make. The hon. member talked at some length in his remarks about housing.

I have the honour to represent 22 bands in northwest Saskatchewan. Every single one of them has housing as a priority. The report on housing by the House of Commons Standing Committee on Aboriginal Affairs outlined these circumstances quite clearly as a situation affecting aboriginal people in Canada.

I support as strongly as I possibly can the report of the Standing Committee on Aboriginal Affairs entitled *A Time for Action: Aboriginal and Northern Housing*. The report indicates that the shortfall in aboriginal housing today is about $3 billion. It is a shortfall that the people living on the reserves within my federal boundaries know all too well exists.

When I visit with the chief and the councillors or when I visit with the band members living on these reserves, I am constantly made aware of the lack of housing available to the individuals living there. I am appalled at the circumstances that have resulted in large families having to share very small and outdated accommodation.

I am overwhelmed by the lack of ability of the government to respond to those needs, given the political will and the finances that have been made available to the department.

Just this year alone I have had several bands approach me and talk to me about the funding that was available to them at the beginning of the year. They made housing starts during the year only to be told once the basements were dug and the foundations were poured that the department had no more money. Those housing starts would have to be put on hold until the following year. Basements sat throughout the winter months with the snow falling, accumulating and melting in them without the ability of the bands to complete those houses.

I simply want to state that I would like to see the government take immediate steps to correct the deficiencies which exist in the housing program. It would like it to accept and implement the recommendations that are in the report of the standing committee that indicates housing matters must be addressed and must be addressed immediately.

• (1715)

Mr. Nault: Mr. Speaker, of course it is very important that members get their statements on the record and I appreciate that the member has done that.

I also suggest to the member that one of the major problems with housing as far as aboriginal people are concerned is that the Government of Canada has not, at this moment at least, put forward a policy on housing to deal with the crisis we are talking about. It also has not recognized that housing is classified as a treaty right.

There is one thing that should be put on the record for people who are watching and listening to these speeches today. That is that the dollars given to aboriginal communities for housing are a subsidy. In essence the government tells the aboriginal people that it will give them a certain percentage.

In my region for example, they will be given roughly $27,000 toward a house. We all know a house cannot be built for $27,000. Then the government tells the aboriginal people they can get the rest of the money for that particular program either on the open market by borrowing from the banks or by going through CMHC. Or they

can do it another way and that is to take it from their minor capital.

For those who are not aware of what the minor capital money is for, it is normally used to help with infrastructure. For example, it is used for roads, water, sewer, band offices, street lighting. What has happened is that because the minor capital in some communities is so small, the chiefs and councils are forced to have to make tough decisions as to what is more important, the housing that people are asking for or the other infrastructure problems they are facing.

In the 46 reserves that I represent in Kenora—Rainy River, on average we build two to three houses. When there are known backlogs of 50, 60, 70 houses in some of these communities, we are forced to build only two or three at a time.

If the government is serious about dealing with this crisis it will have to first of all recognize housing as an important part of the treaty right and second, put funding toward it.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I have a question for the hon. member for Kenora—Rainy River.

A short time ago we were all shocked to learn of native young people sniffing gasoline and the terrible consequences. We know that gasoline in Canada contains various toxic substances, such as toluene and manganese. We know that in the penal systems in the state of California studies show that the most violent offenders have higher levels of manganese in their hair samples.

Is the member aware of any studies conducted in Canada on the impact and consequences of sniffing gasoline containing MMT? Of course MMT is not allowed in the United States.

Mr. Nault: Mr. Speaker, this is a very important question and one with which I have been dealing. Those of us who are involved in aboriginal issues across this country will know that one of the biggest problems besides youth suicide is the fact that youths are now heavily involved in the sniffing of gasoline.

One of the things we have been looking at is the issue of MMT and manganese which of course is banned in the United States. I thought we should find out what drives young people in this country to sniff gasoline. I thought we should also find out whether any studies had been done in this country from the department of health and welfare and the department of Indian and northern affairs to ascertain the reasons that this particular solvent seemed to be of interest to young people in the First Nations.

I then went a step further on the advice of my colleague. I went to the United States and asked if any studies had been done on this particular issue. We found that there were learned professors who had looked at the causes and the reasons for this situation and why it was happening in the United States.

We did find that in the United States there is a smaller amount of aboriginal people using gas as a means for getting high. Of course we all know the effects of gas as far as our First Nations youth are concerned and the effects it has on their health and of course their well-being in the long run.

• (1720)

We would also like to go a step further on one of the matters. I suggest to the House that we should as a Parliament and as a government on the other side look at the effects of manganese on young people when it is in their systems. We should determine whether that is the particular substance in gasoline that makes young people high and determine the reasons they use it.

Because my colleague has a private member's bill to ban MMT in gasoline I think we should seriously look at the ramifications of that. That is because sniffing gas is one of the biggest killers in aboriginal communities.

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, I am pleased to be able to enter the debate in the House today on this very significant issue and to lay before the House some information that I think is necessary for the public to hear.

Aboriginal programs continue to be one of this government's highest priorities. Between 1984–85 and 1992–93 the total federal expenditure on programs for aboriginal people has grown from $2.6 billion to over $5 billion.

In spite of the current effort to reduce government expenditures, the 1993–94 Main Estimates reflect a further increase of over $351 million in over-all funding to aboriginal people. This represents a 7 per cent increase government-wide.

The government remains committed to implementing with aboriginal people the native agenda that was announced by the Prime Minister in September 1990.

That initiative focuses the government's attention on four fronts. First is the settling of native land claims. Second is to improve the social and economic conditions in aboriginal communities. Third is to build a new relationship between aboriginal people and governments. Fourth is to review the fundamental place and role of aboriginal people in a contemporary Canada. Substantial progress has already been made on all of these pillars of the agenda.

The government's continuing financial commitment is again evident in the 1993–94 Main Estimates. For example, funding for specific claims will grow 74 per cent to $136.5 million. Comprehensive claims funding will grow 24 per cent to $95 million. Funding for elementary and secondary education on reserves will increase by 9 per cent to $745.2 million. Funding for the Inuit and Indian post-secondary education program will grow by 6 per cent to $213.3 million. Social services expenditures will rise by 10.1 per cent to $898.9 million.

In recent years the growth rate of expenditures on aboriginal programs has exceeded the over-all growth of federal expenditures. While the over-all growth in federal expenditures between 1991–92 and 1992–93 was limited to 3.1 per cent, funding for aboriginal programs increased by 7.9 per cent. Even with tighter restraints on federal spending in 1993–94, expenditures on aboriginal programs will still grow by 7 per cent.

Within the department of Indian and northern affairs, four main activities accounted for about half of the estimated 1992–93 expenditures. While most of these activities are akin to those provided to non-aboriginal people by provincial and municipal governments such as elementary and secondary education, social assistance and welfare services, they also include post-secondary education.

Since 1981–82 the total of these four activities has grown at an average annual rate of approximately 12 per cent. Of course expenditure levels are only part of the story. What aboriginal people are doing with these funds is the real indicator of progress.

This government continues to support the devolution of responsibility for the delivery of services and programs from DIAND to the direct control of First Nations.

• (1725)

A range of innovative funding mechanisms has been developed and introduced to aid in this process. This includes contributions, alternative funding arrangements, flexible transfer payments and grants. By the end of 1991–92, 77.3 per cent of the expenditures of the Indian and Inuit Affairs Program of approximately $2 billion was fully administered by First Nations through band councils, tribal councils or other Indian organizations. This figure has increased by 15.2 per cent since 1985–86 when bands administered 62.1 per cent of Indian and Inuit Affairs Program spending. Indeed, the control is moving to where it belongs, which is to the Indian leaders.

Since 1981–82, federal funding for elementary and secondary education has increased approximately 9 per cent annually from expenditures of $272.9 million in 1981–82 to an estimated expenditure of $683.7 million in 1992–93 and planned expenditures of $745 million in 1993–94.

In the process the number of elementary and secondary students has grown from 80,466 students in 1981–82 to 96,594 in 1991–92. The participation rate of on-reserve children aged 4 to 18 in elementary and secondary schools has increased from 87.6 per cent in 1985–86 to 91.4 per cent in 1991.

At the same time, Indian children are staying in school longer. The percentage of children reaching grade 12 or 13 through normal progression has risen from 33.9 per cent in 1985–86 to 47 per cent in 1991. More of these children are being educated by their own people. The number of elementary and secondary students attending band-operated schools has tripled from 13,000 in 1981–82 to 40,513 in 1991. During the same period the number of band-operated schools has almost doubled from 159 in 1981–82 to 312 in 1990–91.

As a result of special post-secondary education programs providing opportunities for Indian students to become qualified teachers, 30 per cent of the teaching staff in bands schools are now Indians. Since 1981–82, federal funding for DIAND's post-secondary education assistance program has increased more than eightfold from an actual expenditure of $25.1 million in 1981–82 to

an estimated $201.3 million in 1992–93 and a planned expenditure of $213.3 million in 1993–94. This has more than quadrupled the number of post–secondary students receiving assistance from 5,467 in 1981–82 to an estimated 21,442 in 1991–92.

Indian communities are also improving living conditions with DIAND funding. We have heard comments from earlier speakers about housing. On–reserve housing expenditures, including the construction and maintenance of houses, schools, roads, bridges, sewers and other community facilities have increased 34.2 per cent since 1985–86 from $102.7 million to $137.8 million in 1992–93.

In 1991–92, the Department of Indian Affairs and Northern Development allocated $131.6 million in direct capital subsidies, and $127 million in loan guarantees to housing. Between 1983–84 and 1991–92, an average of 3,212 new homes per year were built on reserves. Just under 4,000 homes per year were renovated during the same period. In 1991–92, about 91 per cent of dwellings on reserves had an adequate water supply compared with slightly over half in 1977–78. The proportion of dwellings with adequate sewage disposal has increased considerably from about 47 per cent in 1977–78 to almost 80 per cent in 1991–92. Electrical service had reached less than half the houses on reserves in 1965. In 1991–92 it reached 88 per cent.

• (1730)

The government also continues to support increased Indian control of development, design and delivery of child and family services. In 1992–93 the Department of Indian Affairs and Northern Development funded 41 Indian child and family agencies covering 213 bands. Between 1980–81 and 1990–91 the percentage of children in care has decreased from 6 per cent to 4 per cent.

Throughout this period of devolving responsibility for delivering programs and services to First Nations, DIAND itself has been shrinking. The number of authorized person–years in Indian and Inuit affairs programs has decreased 42 per cent from 4,463 in 1982–83 to 2,608 in 1992–93.

The percentage of the budget of the Department of Indian Affairs and Northern Development that is directed to administrative overhead has declined steadily through 1980 and the early 1990s.

In 1985–86 the department overhead was 6 per cent of the over–all budget administered by DIAND. In 1993–94 the rate is expected to be 3.2 per cent. Yet the statistics for the Department of Indian Affairs and Northern Development do not tell the whole story of this government's commitment to aboriginal people.

In 1993–94, federal expenditures on aboriginal programs were administered by 12 departments. Of these, 98 per cent came from the following departments: Indian Affairs and Northern Development, some 72.2; Health and welfare Canada, 14.9 per cent; Canada Mortgage and Housing Corporation, 5.1 per cent; Employment and Immigration Canada, 3.7 per cent; Industry, Science and Technology, 1.3 per cent and Secretary of State, 0.8 per cent.

There are many departments within the federal government working to make conditions better for aboriginal people. This reflects both the diversity of the federal programming for aboriginal people and the many co–operative government–wide programs that benefit their communities.

For example, the quality of health care available for Indians is improving considerably. Between 1976 and 2001, the life expectancy of status Indians is expected to increase by approximately 10 years. Health and Welfare spends more than $735 million annually on programs and services to further this goal, of which approximately 25 per cent is managed by the First Nations people themselves.

In 1992–93, as part of a $136 million federal initiative on family violence, $36 million was provided directly to Indian communities to deal with family violence on reserves, including $22 million from the Department of Indian Affairs and Northern Development and $14 million from Health and Welfare Canada.

This represented a fivefold increase in DIAND's share from $4 million in 1988 to $22 million in 1992. Another $160 million will be provided to promote community health and the well–being of Indian families through the aboriginal component of the Brighter Futures strategy.

The federal government's commitment to improving the quality of the environment for all Canadians was confirmed when the cabinet approved the green plan in 1991. The green plan included two programs that are particularly important to aboriginal people: the Arctic Environmental Strategy administered by the Department of Indian Affairs and Northern Development and the Indian Health and Water Initiative, a co-operative initiative administered by DIAND and national health and welfare.

The $92 million Arctic Environmental Strategy is not limited to aboriginal communities, however, since it is dedicated to cleaning up the environment in the Yukon and the Northwest Territories where aboriginal people account for substantial portions of the population, it is of intense interest to them. Indeed, when we were having hearings on the green plan I was fortunate enough to attend the hearings in Yellowknife, Whitehorse and Iqaluit and I had the opportunity to speak with Inuit and Indian people. I know how important the environment in that part of the country is to the Inuit and Indian people.

The Indian Health and Water Initiative was launched in March 1991 as part of both the green plan and the native agenda.

• (1735)

The Department of Indian Affairs and Northern Development's $250 million share of this program is being used to upgrade water and sewer services on reserves while Health and Welfare's $25 million contribution is helping to improve the quality of drinking water.

Some 125 communities have been identified as priorities for work under this initiative and are already benefiting from the program. Most of them are managing the funds and projects themselves, as it should be.

This government is also committed to closing the gap between the availability of adequate housing for Indian people and the growing need for it. That commitment involves increasing Indian control over the design and management of the program.

The Department of Indian Affairs and Northern Development and Central Mortgage and Housing are working together on a new housing policy that will meet this need.

Meanwhile, DIAND's housing program and CMHC's on-reserve housing program have been exempted from the government's current deficit reduction measures.

In 1993-94, expenditures by the Department of Indian Affairs and Northern Development alone will be $137.8 million and will provide for the construction of approximately 3,300 houses and the renovation of an additional 3,200 housing units.

CMHC will continue to provide planned, new on-reserve housing. Nearly 25 per cent of all new moneys under its social housing program, $41 million in 1993-94, will be directed to native people living off reserves.

The Canadian Aboriginal Economic Development Strategy that was mentioned in the House earlier, CAEDS as it is called, was launched in June 1989 to provide the means to help aboriginal people manage business enterprises, economic institutions, job training and skill development.

Three government departments are contributing to the five-year program: Employment and Immigration Canada, Indian Affairs and Northern Development and Industry, Science and Technology. By bringing together aboriginal people, governments and the private sector, CAEDS is making a substantial contribution to expanding First Nations' capacity to build their economic future and has considerably enhanced their prospects for success.

The strategy is channelling federal support and assistance to hundreds of new and maturing aboriginal enterprises. This includes everything from gas stations to motels to grocery stores to airlines.

Since its launch there has been tremendous growth in the capacity of aboriginal communities to initiate and manage their own development projects. There are now more than 10,000 Indian businesses both on and off reserves reflecting Indian entrepreneurial activity and participation in the larger economy.

In 1991, DIAND approved 22 direct loans valued at $1.2 million to Indian and Inuit businesses, 46 loan guarantees valued at $3.2 million and 4 fee-for-service contracts and loan portfolio sales totalling $723,000.

Industry, Science and Technology Canada, which has the lead responsibility for financing native businesses, provided $72 million.

Training opportunities under CAEDS hold special promise not only for aboriginal people but for Canada as a whole.

Demographic projections clearly demonstrate that Canada will face a severe shortage of skilled labour within the next few decades. With a younger population than non-natives and with increasing opportunities for training and education, aboriginal people are in an exceptional position to play a greater role in Canada's economy.

Pathways to Success, the aboriginal component of Employment and Immigration's Canadian Jobs Strategy, is one such opportunity. It continues to contribute $200 million a year to training and employment initiatives for aboriginal people. Under the pathways program, aboriginal management boards at the national, regional and local levels decide on their training priorities and how available resources can be used best to meet their own people's labour market needs.

The funding for Pathways to Success is part of the $347 million this government will spend on aboriginal economic development in 1993-94. While this represents a reduction of 7 per cent over all from 1992-93 levels, it is still a significant investment in the future of aboriginal people in their communities.

On another front, many First Nations are anticipating future land claim settlements by eagerly exploring joint ventures and business possibilities in mineral development, oil and gas and tourism just to cite a few examples.

• (1740)

In addition to having access to specific aboriginal programs, aboriginal Canadians are also eligible to participate in federal programs for non-aboriginal Canadians. Examples are old age security and unemployment insurance.

Moreover, the Indian Act exempts from taxation the property of an Indian, including income, that is situated on reserve. Where purchases are made on reserve, and in certain other cases, the exemption applies to the goods and services tax as well.

In spite of the significant gains aboriginal people have made, there is still considerable room for improving their social and economic conditions. The federal government recognizes that aboriginal people are still among the most disadvantaged Canadians generally, and remains committed to helping them overcome this disparity.

I know that all of us here today share one objective: healthy and satisfying self-sufficiency for aboriginal people.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened carefully to the minister's remarks. I know she has held responsibility for Indian affairs in this country for a couple of years. I know she has been on many reserves throughout the country, therefore this is not a new subject for her.

As I listened to her remarks, I tried to make the linkage to what the percentages were, the dollars were and what was really going on in the reserves. This is what really troubles me about the debate so far today.

I forget who it was who made the statement: Seeing something once is better than reading about it a thousand times. In the last three or four years I have had the opportunity of visiting a few reserves, certainly not as many as the minister has. I have been to Iqaluit, Whapmagoostui, James Bay, Oka and other places across the land, like Barriere Lake. What is going on in those places is just not good enough.

I think of Whapmagoostui in the northern part of Quebec where we have an arena structure. The arena beams have been set up for three years and the rink has not been finished. There is a little community hall for the kids to play in but no other facility where they could get exercise, get involved in figure skating, hockey or other community events. We have to wonder what is going wrong.

I am not talking about a lot of money here. I think there are a lot of things that could be actioned that would not cost the taxpayers of Canada a lot of money. A number of these things would somehow give the communities a better quality of life. Somehow we are missing getting some of these things done.

From time to time when I turn on television and I see the program *World Vision* I watch the suffering, the lack of facilities, water, sewers, educational facilities of people from disadvantaged countries. We look at all of these

places from all around the world but the reality is we have conditions in our country that are just as bad as anything we see on *World Vision*.

• (1745)

I do not agree with the NDP, by the way, that government members do not care about the aboriginal community. I do not believe that. I cannot believe that. I do believe there is a problem in actioning some very simple things that could be done to make the quality of life better for our aboriginal community.

The minister has had this wealth of experience working with aboriginal people, having visited the reserves. Let us forget about the statistics, let us forget about all the numbers for a second. From her own personal point of view does she not think that for minimal tax dollars there are a lot of little things we could do to really make the quality of life a lot better on our reserves, that somehow it is the bureaucratic process that seems to be bogging us down and slowing up getting these things completed.

Mrs. Martin: Mr. Speaker, I appreciate the hon. member's comments. The 14 months that I spent in the Department of Indian Affairs and Northern Development gave me an opportunity to travel from coast to coast and visit many reserves.

Yes, I have seen exactly the same situations that the hon. member mentioned. I have also seen the growth and commitment of our native people on other reserves as well.

In Tionaga, just down by Belleville, a group there started their own charter company with one plane. Two years later they have nine planes which they bought with their own money and are running a very good charter service.

The Six Nations Reserve, which is close to my own home, has a beautiful new senior citizens and nursing home so that elderly native people can stay on their own reserve and be well cared for.

There are reserves in British Columbia and the Atlantic provinces that are showing this type of growth and development but we still do have areas that need more help.

Where they need the help, and what we have tried to do to get the bureaucratic problem out of the way, is to devolve responsibility to the native people so that those people that are on their own reserves set their own priorities as to what they want from life on their own reserve. Maybe it is not a hockey rink, maybe they would sooner put the money into housing. In another case they might want the rink because they want their young people to be able to play hockey.

I think the best growth and development and help that we can give the native people is to give them the responsibility, along with the funding, to allow them to move forward and make their own decisions. Not decisions made by us sitting in this House and debating or by the members of DIAND, but rather let them make their own decisions and plan their own future.

This is why education is so important and why I am so pleased to see the growth in post-secondary education. Those young native people are leaving reserves, getting a post-secondary education, coming back and applying that knowledge to the growth and development for their younger brothers and sisters that are on those reserves.

That is where I think we have to concentrate. We have to concentrate on allowing our aboriginal people to make their own decisions, to conduct their own lives, to have the funding but let them make the decisions as to where they should spend it.

It is only by making their own decisions, by making their own commitments that things will begin to happen, so that they will have what they want on their reserves to better their particular way of life. I think that is the move we have to make. The fact that we have devolved the control of some 77 per cent of the spending back to the native people where I think it should have been all along is a step in the right direction. I would like to see more of this continue.

• (1750)

I am very proud of the accomplishments so many of our native people have made. The work they have done under the CAEDS program, the businesses they have gone into, the employment they have created for their own people, speaks very well of their ambitions and their abilities to make a difference in the lives of their own people and I think that is the most important part of it.

The Acting Speaker (Mr. Paproski): There is only 30 seconds left, so I will hear the hon. member for Comox—Alberni. Thirty seconds, now.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, it is very difficult to do this in 30 seconds. The minister outlined a whole series of programs and the funding for those programs and yet a lot of these problems, the suicides we were talking about, the poverty among aboriginal people, the health care problems, continue to exist.

I want to ask the minister if she thinks enough money is being spent right now to deal with these problems but it is just being frittered away through the bureaucratic system or does she think that more resources are required.

She went through the budget in great detail, through the programs in great detail, but at the very end of it said that yes we do have problems. Is there enough money in those programs to deal with the problems we have now or are more resources required and, if so, where are those resources going to come from?

Mrs. Martin: The budget for DIAND and for other departments working with our native people, within the constraints of the federal government's position right now with our deficit and our debt situation, have been spared from cuts, unlike what all other departments have been facing for the very purpose that we know we need money in order to make changes.

The money is there. It is being used and I think the more control we give to the native people to spend those dollars the more progress will be made.

Hon. William Rompkey (Labrador): Mr. Speaker, I too listened carefully to the minister and I agree with my colleague from Toronto that this is not a question of laying blame on one side of the House. We all share as legislators—they happen to be the government at the moment—some responsibility for what is happening.

I listened to two particular points that the minister made. It seems to me they are key points. One was the issue of education and one was the issue of self-government. What she says makes a lot of sense. Those are the things that had to be emphasized. The unfortunate part of it, as I understand it, is that not only have the funds for post-secondary education been kept but the funds for native communication programs, native broadcasting, have been diminished if not completely eliminated.

How can people devise their own future? How can people talk among themselves about what should go on if they cannot communicate? We have had native radio and television broadcasting systems that broadcast in Inuit that have been scaled down to the point where they are ineffective. This is key for people, if they are going to talk about their own future they have to talk together in their own language.

In the north we are inundated with signals from the south. We are inundated with sitcoms from American producers. The diminishing of post-secondary education funding and the diminishing of native broadcasting systems needs to be reviewed.

I have a good idea, Mr. Speaker, and maybe I will try it on the minister now. We talk about self-government. Clearly that is a key issue if people are going to make any progress at all. I listened to what the minister said about CAEDS. She told us about certain native groups across the country making progress, developing their private sector and their entrepreneurial skills and their ventures. Some of that is happening.

My colleague talked about James Bay. The Indians in James Bay are a case in point. The symptoms that we see across the country of alcohol abuse and family violence surely point to the fact that by and large our native people are in a desperate situation. Getting control of their own lives, getting an independence, is key for them. Self-government is the key issue for that.

• (1755)

There are still 600 unsettled land claims. The question becomes how and when they are going to be settled. They are still unresolved. There is an Indian Claims Commission which does not have the authority to advance a claim but only to make recommendations to the government and to mediate. Clearly the quick resolution of specific claims is urgent.

What is the policy of the government? We might remind ourselves of the debate about helicopters that has been going on in this House this past week. It is prepared to spend $6 billion for new helicopters. We could argue that they are needed or that they are not needed. I am not arguing whether they are or whether they are not. We on this side happen to think they are not and the government thinks they are.

The point is that to govern is to choose. If we set a priority that this is more important than settling land claims, do we have our priorities straight? We do have a responsibility for the Armed Forces but we have a responsibility to the first people. That should be our first priority. If we are looking at a meagre supply of resources available to the government for doing things that need to be done, surely the land claims settlements of aboriginal people have to be at the top of our list.

I want to get back to symptoms again. Recently a community in my riding was in the news quite a bit, the community of Davis Inlet. I just want to put on record some of the statistics with regard to that community in case the camera lens has now left Davis Inlet and moved to focus on some other part of Canada or on some other part of the world. We happened to be in the range of the camera for a while and that was great, but now the camera lens has moved away.

I want to remind the House and the people of Canada that Davis Inlet is still there. There are 465 people in Davis Inlet, 297 of whom are youths. Of the 297 youths, 42 are habitual sniffers. Of the 42 youths, 14 are chronic sniffers and some may have suffered permanent damage from sniffing. Of the 168 adults, over 100 abuse alcohol. Of the 100 adults, some 31 are chronic alcoholics.

I know the hon. member across the way is doing his best to resolve the situation. I know he is providing leadership on behalf of the Government of Canada in consultation with the Government of Newfoundland to come to grips with this. I know discussions are going on between the two governments and with the community to try to resolve it. In the final analysis it is that community which must make its own decision, must take control of its own life and must plan for its own future. The impetus for the future prosperity and well-being of that community must come from within. I hope it will.

I know the process is in place whereby we can deal with this, but I wanted to put on record some of the statistics we may have forgotten, because that camera lens has deserted us and moved elsewhere.

These are symptomatic. I do not know how my time is going. I want to leave enough time for my colleague from the north who gets a lot of credit for bringing this resolution forward. Let me say again that the symptoms are conclusive that there are serious problems across the country: a problem in health and a problem in education which must be addressed immediately. We must have the funds to deal with them. We must have a mechanism for speeding up the settlement of land claims. Within that land claims settlement self-government is a key issue, a priority issue, an issue that must be addressed.

We have to put it at the top of our agenda. We cannot say that we are going to deal with it at some time. This is a problem we have as responsible people on both sides of the House. We owe it to first citizens to show them we are prepared to deal with it on an urgent basis.

I compliment my colleague from Nunatsiaq for the motion and for bringing this matter to the attention of the House and to the people of Canada. I hope, as a result of the debate we have had today, progress can be made not simply in Davis Inlet or in Sheshatshits in my riding, not simply in Nain, Makkovik, Hopedale, Rigolet and all along the Labrador coast where we have serious problems that must be addressed, but all across the country.

• (1800)

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I take this opportunity to thank my colleague for his remarks and his sensitivity to the issue.

One thing I sometimes try to focus on and to elaborate on as often as I can for members of Parliament who do not represent First Nations communities is the necessity to be much more sensitive to a particular culture that is not the same as their own and to try to put themselves in the shoes of a First Nations person.

In the discussion in the House today, and I want to ask the member to comment on it if he will, it was interesting that the minister who spoke just before him talked about how the Department of Indian Affairs and Northern Development passed on in the last few years a lot of the responsibility to First Nations to run their own lives, to the tune of close to 70 per cent, if I am not mistaken.

I am concerned that there is a suggestion by the minister in that statement that First Nations have the power now to make the decisions to improve their lot and the way their lives are looked after at the grassroots level or at the community level. My concern is that in

fact all we are doing as a government when we make those suggestions is misleading the public.

What we are asking First Nations to do is to administer policies that are within the department, policies that have been made by non-natives. If we want to take it a step further, that suggests to me that chiefs and councils probably have less powers than mayors or reeves in municipalities would have.

Would the member tell me and tell the Canadian people—and he could use Davis Inlet or some such community in his riding as an example—how much power those people have over their own lives to improve their lot, to make a go of the community they so desperately want to improve, and to give young people the future they expect to have?

That is really the essence of this debate. It is not the numbers the minister across the way is throwing at us. The government is suggesting that it is trying to put more money into it. It is the responsibility and ability of First Nations to truly make a difference in their own lives that I think we should deal with in this debate.

Mr. Rompkey: Mr. Speaker, I want to comment on that question. There is a fundamental truth in what the hon. member is saying. I think he is saying that it is power. That involves some resources but maybe not so much resources or certainly not only resources as power. Politics is a question of power.

We understand that there is a federal system whereby power resides in the federal government, the provincial governments and the municipal governments. Everybody quarrels that they do not have enough.

In the communities in my region there is, as the member says, less power to govern those communities than municipalities would have. For example, there is not control over their own schools. There are no native health people in the communities I am talking about.

I have to make a distinction between Inuit communities and Innu communities. The Innu, as the House knows, are Indian people and the Inuit are not. I have to make a distinction between those two types of communities.

In the Indian communities in my riding there is a clear lack of local control for the institutions and for what could be called the municipal structure. There is a long way to go in creating that but that is what we must aim toward. We must give people control over their own lives. It is not easily done, but it must be done. It is fundamental.

If any of us in this Chamber do not have control over our lives we do not have any self-respect; we do not have any direction; we do not have any identity.

• (1805)

The essential problem is how to give people back their identity. We should give them back control over their own lives. What that means is saying to them: "We do not tell you what to do from Ottawa or St. John's or anywhere else; you decide". As with Moosonee, Moose Factory, Winnipeg, Trois-Rivières, or any other place in this country, they decide where they want to go as communities. Davis Inlet, Sheshatshits and those other communities have to do the same. They must have that element of self-government.

Mr. Jack Iyerak Anawak (Nunatsiaq):

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

[*English*]

We have proposed this motion today to bring attention to the many unmet needs and aspirations of the aboriginal peoples in Canada.

This year, 1993, is the year the United Nations has designated as International Year of Indigenous People. It is surely appropriate for the House at this time to examine the government's performance on issues of concern to aboriginal people.

On a wide range of issues basic to aboriginal families and children from coast to coast to coast this government has failed to act. Where there has been activity it has been piecemeal, sporadic and *ad hoc*.

This House and Canadians have to know that behind all the big numbers and fancy rhetoric tossed out by the government, aboriginal peoples and communities throughout the country are in real distress.

Recently the tragic situation at Davis Inlet to which the hon. member who just spoke before me referred shocked Canadians and many other people throughout the world. Under the intense media scrutiny and outrage of ordinary Canadians the government was forced to

take some action. Beyond the government's initial response much more remains to be done. It is more important than ever, now that media attention has abated, for all of us to ensure the government follows through in a fair and just way.

Today I would like to draw attention to the many other aboriginal communities in Canada which are in similar despair. Many of them are remote, far from the political and media centres of Canada. From time to time a story will be written in the newspapers or graphic images will make the television news but this attention is not sustained. I am sure that the government would do much more if only Canadians knew more about the issues confronting aboriginal peoples.

What if there had been massive media attention in the 1950s when several Inuit families were relocated from communities in northern Quebec to the isolation of Resolute Bay on Grise Fiord in the Northwest Territories? What if their suffering and hardship had been chronicled daily for all Canadians to see?

Without that media attention we only have firsthand accounts of the survivors and their descendants. Their words, however, are not good enough for this government. For the past several years the High Arctic exiles, as they call themselves, have documented the circumstances and consequences of this relocation and have tried to obtain an official apology and compensation from the government for the suffering they endured. Having heard their testimony the Standing Committee on Aboriginal Affairs has twice since 1990 asked the government to respond positively to these requests. The government has refused.

The Royal Commission on Aboriginal Peoples is holding a special inquiry into this issue. Zebedee Nungak, a spokesperson for the exiles, summed up the government's attitude in this way:

> They have condemned the exiles to a second exile. The first exile was the relocation itself and the second exile was the government's determined effort to ignore the claims and allegations of these people.

Relocations, loss of land base, loss of traditional economic activity, erosion of language and culture, and loss of control have created tremendous strains and pressures in aboriginal communities. In the most remote communities these pressures are more recent, but recent or not the consequences are the same. The repeated and continuing impositions and encroachments of non-aboriginal cultures, values and governments on aboriginal peoples have had and are having devastating results. The government has failed once again to recognize these strains and its own role in contributing to them.

The activities of animal rights groups destroyed the sealing economy in the eastern Arctic. Unless the government acts quickly, Canada's European markets for wild fur will be lost and so will the livelihoods of many aboriginal trappers. The government knows that by 1995 Canada has to meet certain international humane trapping standards to keep our European markets. Yet last June the federal cabinet refused to provide any new money to continue on expanding its humane standards development program. Aboriginal trappers are already having a hard time trying to provide for their families and this government is just making it harder.

• (1810)

Throughout the country aboriginal unemployment rates continue to be unacceptably high. It often reaches 70 or 80 per cent or 90 per cent in very remote communities. Aboriginal per capita income levels are well below those of non-aboriginal Canadians.

Aboriginal health conditions have been described by health professionals as Third World conditions. The rates of aboriginal violent death and suicide are many times greater than the average Canadian rates. Aboriginal housing conditions are far below Canadian standards and yet progress on these and many other issues is painfully slow or non-existent.

Study after study has documented inadequate, unsuitable and overcrowded aboriginal housing conditions and a backlog of crisis proportions and yet the government has not acted. In fact it has cut housing funds. The last time any additional housing funds were provided to deal with the housing backlog was in 1983, 10 years ago, under a Liberal government.

This government's refusal to act has made aboriginal and northern housing problems worse. Despite a housing shortage of 3,600 units in the NWT, the federal government reduced its funding for cost-shared social housing. With the full knowledge that current housing construction rates are not keeping up with the expanding northern population, the government instituted cutbacks.

The crisis continues, the backlog worsens and the problems increase.

By failing to respond to the north's critical housing needs the government has failed to deal with the quality-of-life issues associated with housing. It has ignored the impact of the lack of available, suitable and affordable housing of all areas of life.

Post-secondary education plans are postponed or not pursued at all due to the lack of housing. If someone has a house they risk losing it to someone on the waiting list if they leave their community to go to college or university. The severe overcrowding creates stresses that contribute to family violence and other social problems. There are homeless people in the Arctic. There are families living in shacks on the edge of Iqaluit and Frobisher Bay and this government has turned a blind eye to their plight.

Last year the federal government turned down a request for more housing funds for the Northwest Territories. Related to family violence and housing is the north's urgent need for more shelters, facilities and services to support victims, offenders and their families. There is also a need for more child care facilities and spaces. This government promised a day care program that never materialized. As a result, northern child care needs are not being met. About 2,300 children in the NWT require child care yet there are only about 700 licensed spaces available.

Health conditions are also related to housing conditions. Tuberculosis is still a problem in the Northwest Territories. Meningitis occurs at higher rates in the Northwest Territories than in any other part of Canada. Deaths among Dene and Inuit babies in the NWT still occur at twice the Canadian rate and the gap between aboriginal and non-aboriginal death rates in early life is increasing.

From 1984 to 1989 in the Northwest Territories over 30 per cent of all deaths were the result of injury and violence. The NWT suicide rate is more than twice the Canadian rate. In the 15 to 24 age group the NWT rates are more than five times the Canadian rate.

Something is terribly wrong. Why are so many aboriginal young people killing themselves? They seem to have no hope and they do not see any prospects of improving their lives. They have no jobs. Aboriginal employment rates are not improving. Aboriginal unemployment is not decreasing. It is getting worse. An unemployment crisis threatens the use of the north and yet the government has done absolutely nothing and is doing absolutely nothing.

Between 1986 and the year 2016 the population between the ages of 15 to 64 will increase by 137 per cent in the central and eastern Arctic or Nunavut. The present rate of job creation is hardly sufficient to absorb the growing population. Excluding opportunities that arise through the creation of the Nunavut government, at the current job creation rates fewer aboriginal people will be employed in the year 2016 than were employed in 1986.

Without concerted and dramatic attention to this problem and the need for much greater investment in education and training the aboriginal people of Nunavut will become increasingly unemployed.

• (1815)

Perhaps this government's greatest failure has been its lack of vision, its failure to see the whole and its refusal to listen to the solutions offered by the aboriginal peoples themselves.

All the issues I have touched on are interrelated and interconnected. Aboriginal peoples want these issues addressed urgently and holisticly. They want long-term preventative strategies developed which reflect their priorities and goals. All too often however, the government has provided only short-term reactions when it responds at all.

The aboriginal peoples of Canada have contributed much to the building of this nation and they have much more to offer. While several of them have managed to circumvent the obstacles placed before them, too many others are being lost. This tremendous waste of energy and talent cannot continue.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I would like to commend my colleague for his remarks.

Of course as an aboriginal person himself he has a much larger understanding of the issue than any of us in this place. I think something we desperately need is someone who can tell us firsthand just what is happening.

One of the things that I wanted to ask my colleague relates to post-secondary enrolment. Ministers have spoken today and the minister of Indian affairs is going

to speak later this evening in this debate. He could probably help clarify this as well.

The number of aboriginal people enrolled in post-secondary institutions nearly doubled since 1985-86 to 11,170. It ended up in 1991-92 to be 21,442. It is easy to see that there has been almost a doubling of the amount of young people who are interested in and are enrolled in post-secondary education as far as aboriginal people are concerned.

I am interested in asking my colleague this. The ministers opposite continue to say that funding for post-secondary education for aboriginal young people is going up and that it is really improving.

In the capping that took place a few year ago, we found that between 1990-91 and 1991-92 only 142 students more were enrolled than in the previous year. If one looks at the numbers that I gave regarding 1985-86 to 1991-92, a rough estimate shows that there's an increase every year of almost 2,000 students per year going to post-secondary institutions.

We find in a recession that most people tend to go to school because they cannot get a job with times so tough. They go to school to upgrade their skills and training. In fact, only 142 more young people went to school than in the previous year.

That number interests me in that it suggests that the capping has had an effect on young people and their ability to go to post-secondary institutions.

I would like to know from my colleague's perspective from the north whether he is aware of young people who have not been able to go and are on some sort of waiting list because of the effect of the cuts in post-secondary education to aboriginal students.

Mr. Anawak: Mr. Speaker, I thank my colleague for the question.

First of all, one must understand that young people have to want to go for post-secondary education. We should be giving them every opportunity to do that. However the incentive sometimes is not there because they have to move somewhere else where the environment that they are used to is not there.

In the area of post-secondary education in the north that we are talking about, unfortunately the enrolment rate is not very high. It is partly because of the amount of paperwork that is required to take the step to go into post-secondary education. I have a nephew who wanted to go into post-secondary education yet decided not to at the end because he could not get through the paperwork.

• (1820)

However, I remember when this government wanted to cap the post-secondary education funding. The cry from the aboriginal people across the nation was heard by the Canadian people, yet it took the government so long to respond that at the end only so many took advantage of it as the hon. member just mentioned. They get to a point where they give up because they are not given the incentive. They do not have the faith in this government's ability to react to the issues that they want to get involved in. I think it is time the government realizes that it has an obligation to the aboriginal people of this country and realize that aboriginal people will take over only when they have the post-secondary education needed to take over the kind of jobs they want and the kind of government that they want.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): I am pleased to participate in this debate on a motion sponsored by the hon. member for Nunatsiaq. I am glad that he is in the House to be present for my comments in this very important discussion.

First, I would like to say that I share the member's concern and that of all members, for the condition in which many aboriginal people find themselves in their communities across Canada. For anyone who watches television or reads the news it is evident that there are indeed very sad and even tragic circumstances in some of the aboriginal communities in Canada today. I think we all feel a deep sense of conscience and obligation to do everything within our power to alleviate these conditions.

At this point I depart from the language of the motion before the House where it condemns the government for abandoning aboriginal families and children. I sincerely believe that this government has done more to improve the situation of aboriginal peoples in Canada in the space of the last eight years, and certainly in the last three

years while I have been minister, than has been done since the time of Confederation.

Assume one judges improvement by the level of financial support from government that now exceeds $5 billion a year to status Indian and Inuit peoples. If one multiplied that by all the years that the government has been trying to help through subsidies and welfare in overcoming these problems, one would have to admit that the policies and programs of successive governments of the past have been an abysmal failure. If we still see these tragic scenes on our televisions of any child without a bed in which to sleep, of inadequate conditions, inadequate housing and health problems then one must admit to the failure of policies of many decades.

Therefore, I want to speak today about the successes of the last few years, many of which will not be fully understood and measured until some years into the future. I believe it is important to accept that funds alone and the recognition of rights alone will not solve these fundamental human problems.

Let us set the record straight at the outset.

• (1825)

Within First Nations communities in Canada today, compared to 20 years or 40 years ago, on average all of the statistical indicators show that educational levels are much higher, life expectancy is significantly improved, the level of infant mortality is far lower than it was even 20 years ago, employment levels are higher, and economic development opportunity is greater. I am told there are now 5,000 aboriginal businesses in Canada today, compared to less than 1,000 a decade ago.

Housing quality and standards are much improved. There are new schools. I have visited and opened many of them. There is cleaner water and running water, and there are improved services in most communities and much higher standards of health. I am not saying this to erase the truth about the tragic situations that still exist, but there has indeed been a significant improvement.

It is important to recognize something about the system of paternalism created by our well-meaning ancestors who thought the European ways of raising children, harvesting crops and building communities were superior to the aboriginal ways, their languages, traditions and form of subsistence. We tried to make them be like us.

We created an Indian Act shortly after Confederation and immediately put First Nations people on to small parcels of land—some called them concentration camps without fences—and told them we would protect them and ensure that their rights and their special relationship to the Crown would always be respected.

In doing so we took away the freedom of aboriginal people to make choices for themselves and gave to a person in Ottawa—I happen to presently be that person—the power under the Indian Act to make all decisions affecting their lands, resources, education, and way of government. That person essentially exercises a veto over any choice they might wish to make about their own destiny.

In retrospect that has been a case of very bad judgment. If we are to continue to see progress in the living conditions and in meeting the needs of young aboriginal children growing up in a modern and rapidly changing world we must end the paternalism that the Indian Act, my ministry and Indian reservations represent.

There are three keys to a brighter future for aboriginal people, who one day we hope will come into a full and complete partnership with all other Canadians, into a true equality. The three keys to getting to that brighter future are education, adequate resources, including land, and self-government. Of those three the one that is of fundamental importance is education.

On coming to this portfolio I discovered that in 1960 less than 4 per cent of all young aboriginal people made it to or through high school. In 1985 that figure had risen to 40 per cent. In 1980 less than 1,500, perhaps 1,000, aboriginal students were getting into post-secondary programs. Now that number is more than 20,000. In 1984 when we formed the government there were approximately 4,000 to 5,000 students in post-secondary programs. Now that number exceeds 20,000.

• (1830)

Education is a fundamental tool for self-reliance and self-determination. At the same time there must be something to do with that education, and while preserv-

ing a traditional way of life it is no longer possible to live on the resources of the land in traditional ways.

The First Nations, the native communities of Canada, are surrounded by forests and have largely survived economically since the encounter with European civilization through the fur trade. It is a strange paradox that the fur-bearing animals are no longer accessible to them nor can they be sold in adequate abundance because of policies and environmental changes.

The forests which we cut down and convert to newsprint and two-by-fours from which we build our homes are largely used and enjoyed by non-aboriginal peoples, even though that is the primary resource that surrounds most First Nations communities.

We need to settle land claims and deal with the question of sharing more equitably in energy resources, mineral resources, forest resources and the power that can be generated from water.

Even if we can settle land claims, honour treaty obligations, provide enough land and resources, and the level of education is adequate we will still not see thriving, successful and self-reliant aboriginal communities without self-government.

In the years ahead that is going to be a fundamental challenge to all the members of this Parliament and those who come after us. We might achieve a recognition of the inherent right of self-government through constitutional change or accelerate progress in replacing the Indian Act with something more practical and more appropriate to the needs of aboriginal people. We might do so by eliminating the department of Indian affairs and replacing it with an Indian governments agency, an agency administered by aboriginal peoples not by government bureaucrats here in Ottawa, and one which gets its political guidance from an aboriginal assembly in which elected aboriginals can establish national policies on how funds will be distributed and how many of these problems will be addressed.

Unless we are prepared to think creatively about those kinds of changes then the mere appropriation of funds by Parliament directed through the existing kinds of programs that we can stand here and talk about will not solve the problem.

When the Prime Minister appointed me and shortly after the very challenging and significant summer of 1990 which we all experienced, when that was past the Prime Minister made a speech on October 24, 1990 to set out a new course of action. We called it the native agenda. Its purpose was to really create a new kind of relationship that would hopefully lead to a full partnership between First Nations people and all other Canadians.

One of the important aspects of that native agenda was that we would try to deal with some immediate problems. So the Prime Minister spoke of accelerating the settlement of land claims and unfulfilled treaty obligations. He spoke of introducing programs to improve conditions on reserve. He spoke of initiatives to develop a new relationship between the Government of Canada and First Nations, a relationship built on trust and respect. He spoke of trying to improve the role of aboriginal people in mainstream or contemporary Canadian society.

• (1835)

There were many initiatives that we took following those four themes: accelerating settlement of land claims, improving conditions on reserves, and developing a new relationship government to government. There was the constitutional process and the Charlottetown accord proposals. But we did not come with all the answers.

In fact, if self-government means anything to aboriginal people it means they cannot look to us and to this Parliament for all the answers, so we should not stand up here and give speeches pretending we know what all the solutions are. I will come back to that in a moment.

Where we did not have short-term answers, for the first time in the history of this country we set in place a process of seeking answers from experts to some of these most profound questions. The Prime Minister in May 1991 announced that we would strike a royal commission on the aboriginal question.

Rather than just striking a royal commission in the usual way and announcing who would be on it he said: "We will consult with First Nations leadership as to who should be on the royal commission and what questions it should address". He asked the former Chief Justice Brian Dickson to give some thought as to how to create this royal commission. That was the first time that the

federal cabinet and the Prime Minister turned the assignment of striking a royal commission over to an outside group. We will see in a few months time what kinds of positive suggestions will come from the royal commission to deal with the long-term question.

Let me mention what I told the Chief Justice when I met him before he submitted his report to government. I said that the fundamental question we must wrestle with is the question of the destiny of young aboriginal children growing up in Canada today: What will be their future? What can governments and their own people, their own leaders, do to help ensure a future of equal opportunity, equal quality of life and the right to have the same freedoms of choice in society as all other Canadians while preserving the aboriginal languages and cultures and traditions, which are so precious and important to First Nations people? How can we construct a better destiny for the children of the aboriginal peoples.

The first answer is that it is not up to us. We have something we can give and we must continue to give in material ways. However, if we lived in a remote northern community whose population was doubling every 10 years, surrounded by trees and with or without a road, and we were in a modern high school with computers and watching rock videos on television, what would we struggle with inside if we were a teenager thinking about our future? Would we want to get out? Could we afford to stay? If we stayed in that community without work, what would be our destiny? Would it be alcohol, other substance abuse or some of the other social tragedies we hear about?

• (1840)

The fundamental question is: What will be their destiny? I think we all have a responsibility.

I came prepared to talk about our progress on land claims and treaty issues. There is also the hundreds of millions of dollars in additional funds we have committed to increasing the budget for post-secondary education and to improving the sewers and water within Indian communities. There is the package before cabinet now dealing with an enhanced housing program for aboriginal communities and dealing with tragedies like Davis Inlet, Big Cove, and Fox Lake which is in northern Alberta.

I could talk about all the statistics and all the funds. The budget of my department is now more than twice as large as it was in 1985 and it is not nearly adequate. Each year we have had significant increases in our budget at a time when all other government budgets have been frozen or near to that.

Assuming we can find the financial resources, the real question is the destiny question. It is important that we create a legal framework that is acceptable to First Nations, to native people where they no longer have to live in a sense feeling like subjugated people, subjugated to our Crown, to our laws, to our way of life, to our values and to our system which revolves around the dollar.

I hope the royal commission will give us some more profound wisdom. However, between now and whenever we find the magic formula we must continue to encourage increased levels of education. We must take away the shackles of the Indian Act and paternalism and create a climate where native people are free to risk, to succeed and yes, to fail in their own endeavours. And for their part, when they fail they should not come back to government expecting a solution.

I know we must be a caring society and a caring Parliament but we have to create a climate where social welfare is replaced with the freedom to choose, to succeed and to risk. We should help by providing education and by settling land and treaty issues and then by reaching out the hand of friendship. That is because I sense the one thing that has been lacking and which I find astounding is that in a country with 28 million people there has not been enough person-to-person bonding, where a First Nations person can say: "I really have a friend who is not of my own", and some of us can say the same. I will say that to the hon. member for Western Arctic whom I have come to know, respect, admire and feel great affection for.

When I travel across the country and in and out of aboriginal communities, I think it is such a tragedy that we really live in two worlds. Those of us who have so much to give expect government to do it and we are not prepared to reach out our own hand and offer help as we should.

Ms. Ethel Blondin-Andrew (Western Arctic): Mr. Speaker, I would like to thank the minister for his kind comments.

We all have our parties to which we belong and our partisanships sometimes. However, I think we all recognize the common struggle and we do our best to try to achieve our goals. Sometimes things are a little difficult and a little tense but I think we manage to work

together. I just wanted to say that I appreciate his comments.

Back to the matter of business. I have a couple of very specific concerns. One has to do with the Métis agenda. Following the 1985 First Ministers' Conference on Aboriginal Constitutional Matters, the federal government developed a policy to enter into tripartite self-government negotiations with provincial governments and the Métis.

• (1845)

To date, there have been no self-government agreements concluded. No agreements in principle have been reached. No major policy changes affecting Métis people have been adopted. Currently there are six sets of negotiations being conducted. These are in Saskatchewan, Alberta, Manitoba, New Brunswick, Nova Scotia and Prince Edward Island.

While little is known about the federal policy framework, we do know that federal officials refuse to deal squarely with Métis land claims. They have indicated that land can be considered under economic development. What this means in practice is a mystery to the Métis.

I would like an update on what has been happening with the Métis interlocutor and the Federal-Provincial Relations Office. What is the current state of affairs with regard to any kind of constitutional recognition for the Métis people?

Having said that I know I will not get a chance for another question, but I have another one which deals with the Inuvialuit.

The Department of Indian Affairs and Northern Development has an agreement with the Inuvialuit that it would clean up the Horton River site which is a DEW Line site. There are approximately 5,000 to 10,000 abandoned fuel drums scattered along the beach. In the vicinity of the site, on-site buildings, pipelines, fuel tanks and a large conveyer must be demolished and disposed of off site. As well, landfills used by the DEW Line must be cleaned and capped with gravel. Since the site is very difficult to access and since the terrain around it is very rugged the clean-up will be very difficult and costly.

I have spoken with the officials of the Inuvialuit. Mr. Gruben has provided me with a briefing done by his staff. I am very thankful for that because we would like to know what exactly the government is going to do with respect to the time line of the clean-up. It has agreed that this would provide employment as well as business and training opportunities in a very depressed economy. It has agreed that the Horton River clean-up will be done. However, the disagreement is on—

The Acting Speaker (Mr. Paproski): Order please. That might be a pretty good question to put on the Order Paper. The minister would have a better opportunity to answer. I will allow him to answer at least part of it.

Mr. Siddon: Mr. Speaker, I think the hon. member for Western Arctic will understand if I do not give detailed answers.

On the first question about Métis and the recognition of Métis rights and claims, I think she knows that the minister for intergovernmental affairs has been given that responsibility as interlocutor for the Métis people.

The federal government has always wished to provide a proper recognition of the Métis people. They are in a category different from those of other than North American aboriginal descent and those who are full aboriginal. They are unique.

In the constitutional discussions, it was recognized that that uniqueness of the Métis people should be recognized and reflected in our Constitution. The recognition under section 91(24) should be accorded. With the failure of the Charlottetown accord or at least that stage of the process, that question remains to be resolved.

Meanwhile it is our view that where federal government dollars are transferred to provinces for health and welfare and educational purposes off reserves, provinces then have a responsibility to provide adequate programs for the benefit of Métis people.

Some provinces, for example the province of Alberta, have been quite generous in setting land aside and creating new communities for Métis people. I would not want to call them reserves because as I was saying in my remarks, a very unfortunate stigma goes with that.

In the case of the western Arctic, the hon. member knows that in the land claims process Métis people are being regarded as having equivalency to status Indian people. I think that is a step in the right direction.

I could not really speculate. I suppose it will take until after a federal election to come to terms with constitutional questions again. I could not speculate on how quickly that aspect of the Métis agenda might be advanced.

I just want to say in conclusion that we are all delighted to see Mr. Yvon Dumont named as Lieutenant–Governor of Manitoba. That is another measure of recognition of the important and rich contribution the Métis have given to Canada.

• (1850)

In regard to the Horton River DEW Line site, our government announced the $100 million Arctic Environmental Protection Strategy. I had the pleasure of making that announcement two years ago. One important aspect of that project is the clean–up of Arctic DEW Line sites and other unsightly dump sites across the Arctic. We are trying to facilitate these projects where local aboriginal people will do the work under supervision and at the same time get the best value for money so there is a competitive process of receiving proposals.

I cannot tell the hon. member for sure where the proposal she spoke of from the Inuvialuit Regional Corporation is, but I can certainly get her that material by way of a letter or report tomorrow.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I listened with interest to the remarks of the minister. I noted the minister went on at some length on the anticipated changes in his department.

The minister stated the recognition of the inherent right to self–government. Logically, from that flows that his Department of Indian Affairs and Northern Development becomes much more responsive to the needs of the aboriginal people, that the department will start listening to the advice and the direction of the aboriginal people. I commend the minister if that indeed is the direction.

What puzzles me is that about three weeks ago a delegation from the Federation of Saskatchewan Indian Nations pointed out there was going to be a 31 per cent decrease in the economic development funds available in the province of Saskatchewan for economic development on and off the reserves.

What struck me besides the fact that there was a 10 per cent cut in the department, of course there was no consultation. One can make an argument, given the dire economic conditions. What struck me the most was that the people of the FSIN heard about it through the back door. There was a leak in the department. It was a decision that had already been made. The FSIN was never consulted. Nobody from the department went to the FSIN and told it of the situation, that there would be a reduction in the budget, and that it should indicate where the reduction should be. The bureaucrats made that decision.

When is the minister's policy of having the department more sensitive to the aboriginal people and consulting with them going to come into effect? Why was this decision to reduce the economic development taken unilaterally and not after consultation?

Mr. Siddon: Mr. Speaker, I appreciate the hon. member's question. The fact of the matter is that as with all governments these days, this government has a limited budget. The budget of my department has grown by $285 million this year. That is almost a 7 per cent increase. The budget of government programs for aboriginal peoples has grown $350 million, a 7 per cent increase on an over–all projected spending of over $5 billion.

Most government departments have their spending frozen. In the case of certain projects there are cuts of 10 per cent in grants and contributions for example.

It is necessary to decide how to preserve the important programs such as housing, where the funds were not diminished, such as education, where the funds were increased, such as welfare, social support, and child and family counselling. A decision had to be made about how we could fit within the budget.

In the final analysis the access to the treasury can only be had by the government on behalf of Parliament. Therefore it is not possible to have budgetary or over–all spending decisions the subject of consultation in advance. Funding for economic development this year will be $347 million, plus the funding of some $200 million in Pathways to Success.

• (1855)

The funding is not the problem, it is the management of the funding. We have created through alternative funding arrangements the flexibility for First Nations and tribal councils to adjust their priorities within budgets. If we reach the day where we see a transfer of global funding to an Indian government agency, then aboriginal leadership will have the delightful challenge of making decisions that would include cuts or rearranging priorities, which is the way it should be with self-government.

We want aboriginal people to control their own funding. That is why over 75 per cent of my department's budget is presently administered by First Nations people.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, when the minister spoke it was interesting to note that he made it sound as if whatever problems prevail today is the fault of the previous Liberal governments.

We have to understand that this government has been the Government of Canada for the last nine years. Its members keep blaming the previous Liberal governments for everything that goes wrong. They talk about how well they have treated the aboriginal people. They are now proposing, under the Department of National Revenue, to tax status Indians off reserve, which they previously never did. I do not call that treating the aboriginal people in the best of ways, when they are proposing to tax them when they had not previously taxed them. They are proposing to cut the economic development programs of the aboriginal people by 28 per cent. They have done an across the board 10 per cent cut to aboriginal organizations funded by the Secretary of State.

All these things have been cut. They cut the housing funds, even though there is a severe housing shortage in the Northwest Territories. If the government does not reverse the decisions it has made on these issues, as far as we are concerned all this will be likened to a full-grown male caribou's droppings.

Mr. Siddon: Mr. Speaker, perhaps the hon. member thought I was accusing previous Liberal governments. I do not think I even used the term.

I was saying that a system of many decades duration which is based on the Parliament and the Indian affairs minister deciding what is best for aboriginal people, where we spend money to solve every problem, that that system has failed. I said we are trying to turn in a new direction and establish a new relationship where we can make adequate funds available within the usual budgetary limits, but the difficult decisions and choices in future will increasingly be made by First Nations leadership. That is what I was saying.

I want to make it quite clear that the government has over $350 million available for economic development under the Aboriginal Economic Development Strategy, and there is no 28 per cent cut in that amount. In fact, the government has increased significantly the funding for economic development. The results show that since 1984 we have seen the creation of several thousand new aboriginal businesses.

I should also point out that this year the funding for aboriginal education at all levels will be almost $1 billion. There are significant increases under this government which never occurred under previous governments in all of the history of Canada.

What I am trying to say to the House today is that all the money in the world will not solve these problems if the system is wrong. It is the system that this Parliament has to change.

• (1900)

Mr. Taylor: Mr. Speaker, I rise on a point of order. I am very delighted that the minister is here today to participate in this debate, given the serious nature of it.

The Acting Speaker (Mr. Paproski): Would the hon. member like to ask the minister a question?

Mr. Len Taylor (The Battlefords—Meadow Lake): Yes, Mr. Speaker, I appreciate your flexibility and leeway in this regard.

The minister is defending the position of the government on economic development but there is no doubt when one reads the estimates that the economic development funds have been reduced by 31 per cent.

The aboriginal people in Saskatchewan, in particular, and across Canada say that the funds that are available for economic development are reduced from what they were expecting this year. They are suggesting there are unhonoured commitments that have been made which will go unfulfilled.

My question to the minister is—and I thank you for the opportunity to ask it, Mr. Speaker—are we not sending a poor message when the estimates show an

increase in funding for welfare but a decrease in funding for development?

Mr. Siddon: Mr. Speaker, I have been approached by many native leaders who would like us to convert welfare dollars into economic development dollars.

In the spirit of self-government I think there is now an opportunity if this Parliament is prepared to encourage these changes to allow chiefs, councils and tribal councils to have more control over the global funding, which is what we are already doing under alternative funding arrangements, and convert welfare dollars into economic development dollars.

What we are doing with the aboriginal economic development strategy is funding major kinds of programs and entrepreneurial initiatives with great success, but at the band level we cannot put money into having economic development officers to the same degree we could before if we have to keep the welfare payments up.

If the hon. member for the NDP says we should cut the welfare payments in order to encourage more economic development I am all for it.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, it is indeed an honour to be able to participate in this debate both because of the substance of the motion before us and the very timely nature of its presentation.

I would like to compliment the member for Nunatsiaq for having the foresight to bring this motion before us. From what I have heard so far, I think the hon. members are certainly making use of this opportunity to put some very important points on the record.

I also appreciate being here to listen to the speech of the Minister of Indian Affairs and Northern Development in this debate because after all he is the individual who most bears the responsibility for giving reality to the goals and aspirations of this House and indeed the Canadian people with respect to the aboriginal people.

The debate which has just preceded this, the discussion between the minister and hon. members with respect to what has happened with economic development cuts, indicates that in fact there is a problem, not only with the minister but with many participants in these kinds of debates at squaring the rhetoric that goes with these kinds of issues with the realities which often accompany them. I would like to deal specifically with some of those aspects later on.

I agree with the minister that a new vision is needed in this country. Also I agree with the minister that the system as we have known it since the time of contact has led us down a blind alley. The system we know has led us to a situation where we have to deal with questions such as the epidemic of suicides in many Indian communities and certainly that is a trend we have to reverse.

At the outset of my remarks I want to pay tribute to the aboriginal families in this country. The motion before us says that this House condemns the government for abandonment of aboriginal families and children so this debate is really about aboriginal families and children.

In that context I would like to give credit and pay tribute to the aboriginal families that have touched my own life. I had the experience at the age of eight of coming into contact with people on the Beardy's Indian reserve, to get to know those families long before I knew anything about politics or issues or differences between people or the many kinds of dimensions to the whole question that one comes to later in life.

• (1905)

I very much value that childhood experience, the experience of Indian family life at its best.

In representing the constituency of Prince Albert—Churchill River, I come into contact with any number of Indian families in the course of my duties. There are 46 aboriginal communities in my constituency, including Métis communities, Dene communities, Cree communities and Dakota communities. I have had the experience of listening to the concerns of those families and of being able to experience their family life in a small way. To be able to have the opportunity of presenting the issues that arise from those contacts in this forum is certainly a rare privilege for any individual Canadian to have. Therefore I am grateful for that experience.

However when we are talking about what is happening to aboriginal families, it goes beyond simple issues of control, of funding, of parliamentary legislation and so on. It goes to questions of what is really happening to real families. Historically the record of what has hap-

pened to aboriginal families is extremely bleak. It is probably the darkest blot on the Canadian record.

We pride ourselves on being a peaceful, compassionate and sharing kind of nation, that we play that kind of role in the international arena. Certainly many people have developed the critique that before we get on a high horse and take too much pride in who we are as a people, we need to look inward at the historical record of the interaction between the majority of society and the aboriginal people.

Certainly it is not a bright record, not if you look at the whole situation of residential schools. There was a concerted effort, a comprehensive policy of alienating Indian, Métis and Inuit children from their own family heritage, from their own culture. It was a deliberate policy to assimilate the aboriginal people into the mainstream of society, no matter what the cost or what the consequences. We see those consequences on a daily basis today.

How could it be otherwise? We had two generations of aboriginal people who were torn from their family life, away from their communities, placed in an alien setting and punished if they in any way exercised their traditional ways, their cultures. After a situation like that, should we wonder why today we have problems of family breakdown, of alcohol abuse and of child suicide in our aboriginal communities. There is very little that is left to the imagination when you look at the historical record.

This was expanded by many of the social programs, the social policies that governments, both provincial and federal, exercised toward aboriginal people. One need only look at adoption policies, where it was considered a hallmark of progress to remove aboriginal children from their families and communities and to place them in white families far from their people, far from their culture and sometimes even far from their country.

What kind of a message did that send to the aboriginal communities? What kind of message did that send to aboriginal families, when federal and provincial governments had, as a matter of policy, the notion that it was best on a blanket basis for aboriginal children to be removed from their families and from their culture? That is part of the Canadian legacy that we need to examine. Certainly there has been a growing recognition of the abomination which this whole line of policy development represents in our history. We talk a good line about coming to terms with these problems. We talk a good line about providing new resources and coming to these problems with new insights. But what is really happening?

Let me run through a very few specific examples. One is the Brighter Futures Program which the government has proclaimed with a great deal of fanfare. However that is all it is, a great deal of fanfare. Certainly we have all seen the press releases. The aboriginal communities have seen the press releases. As a result of that, the aboriginal communities developed proposals, very good ideas, on how to come to terms with the family violence issues, with suicide issues and with the abuse issues in their communities.

• (1910)

They develop proposals, think these things through, and set in motion a healing process in their own communities expecting that the government is going to make good on its word. Where is the Brighter Futures funding?

There is no such thing. There is no process by which people can access this money. There are no guidelines by which this money is distributed. This is a situation in which there seems to be a recognition of what the problem is but no way to access the resources.

In my own province of Saskatchewan in this very year, and in fact in the weeks leading up to the end of the year, $8.2 million will revert to the Crown, to the Treasury. This is money that was earmarked for family and social services for Indian people in that province. Those funds will be going unspent.

On the one hand, we have a situation in which there is a desperate need. It is a situation in which we have all kinds of ideas and proposals to perpetuate the healing process and to get it under way. On the other hand, because of jurisdictional arguments and the government having to prove a point, we have a case where if aboriginal people do not knuckle under to provincial jurisdiction they are not going to get access to the $8.2 million which they need.

The government is going to withdraw it at the same time as its members speak in the House to outline its commitment to dealing with these problems.

I just had the opportunity of participating in the discussion in the aboriginal affairs committee. The minister of Indian affairs appeared before the committee to outline his role in the settlement of land issues.

In talking about aboriginal families and communities one cannot separate those issues from land issues because that culture is fundamentally rooted in its attachment to the land. Its whole way of life and of viewing the world is attached to the land. We cannot separate these issues.

This is a situation in which the minister of Indian affairs is on the verge of introducing legislation in this House to create the Nunavut territory and settle the outstanding Inuit claims. All of us welcome the fact that those rights will finally be recognized and that a resolution of those issues is coming.

At the same time, the minister today took the position that the Dene people of northern Saskatchewan and Manitoba will be shut out of this process. These are families that from time immemorial to this very day have spent a good part of their time and made a good part of their livelihood from lands that are included in that settlement area.

This has been documented all the way back to Samuel Hearne. At his first point of contact he found Dene people in those areas. There has been continuous use and occupancy. It was only after the policy began of moving Indian families to where schools and missions were that people did not continuously live in those territories.

Now the minister of Indian affairs says that if those families want to continue to exercise their treaty rights in that area he as the trustee is not going to do anything to help them. Instead, he is saying that these communities are going to have to go to the Supreme Court to exercise the rights that he is supposed to be protecting.

The minister is saying that families in those communities who are suffering from tuberculosis, malnourishment, alcohol abuse and a hopeless economic situation are going to have to take funds they should be using to meet their basic human needs in order to fight the minister in the courts. It is very hard to reconcile the minister's words with his actions when one sees cases like that.

As well, we have recently become very conscious of the whole question of suicide among aboriginal youth. It is very ironic in the international year of indigenous people that Canada's contribution to this whole discussion on the role of aboriginal people should lead off with the tragedy of Davis Inlet and the tragic situation of the young people there.

That is no different than what is happening in Big Cove or in the Nishnawbe-Aski Nation in northwestern Ontario. It is no different than what is happening in Fox Lake in Alberta or in Stanley Mission in Saskatchewan.

There is an epidemic of suicide in this country among aboriginal youth. But at the same time this is going on we are on the international stage saying that Canada is playing an exemplary role in the way it is treating aboriginal families.

• (1915)

It is quite ironic that in the very year we are doing that, on virtually a daily basis, we are being confronted with the fact that this is not the truth at all.

Another issue that I would like to raise is the situation of the Métis people in this country. In many ways the Métis people are the forgotten people of this land. They are the product of the interaction that happened between the European and aboriginal peoples at their first point of contact, which was the fur trade.

They evolved a way of life, a distinct culture and a unique language, which resulted in the Métis people being very central to the formation of the province of Manitoba in 1870. Indeed it was just one year ago today that this House very belatedly passed a resolution recognizing the role of Louis Riel in creating the province of Manitoba and thus contributing to the fundamental development of Canada.

It is timely that we again examine the role of the Métis people because when we look historically at what happened at the point of contact and what evolved out of it, the Métis nation, an argument can be made that in fact the Métis nation is central to the Canadian identity. The Métis have been the agents of change. They are the ones who best exemplify the issues that are involved in the contact between European and other cultures and the aboriginal people of this country.

Rather than having that role recognized, apart from a belated recognition of Louis Riel, the Métis people continue to struggle with the fact that they experience all the disadvantages of aboriginal life—the racism, the economic deprivation and the lack of access to their historical resources—while at the same time they enjoy very few of the benefits that accrue to people under treaty.

I recognize that there are tripartite agreements under way. Nevertheless the situation in Métis communities is extremely acute because for 100 years there have existed no mechanisms by which those people, who have been the harbingers of change in this country, can even meet their basic needs.

I would also like to turn to the issue of what happened in the recent estimates that the government placed before the House and in the economic statement that the Minister of Finance presented to this House in December.

As previous speakers have pointed out, there were some very startling numbers in those estimates that were presented to us. On the one hand, there was a 31 per cent cut in the Indian affairs budget for economic development. It was a cut of approximately $21 million. There was also a cut in the aboriginal economic program, CAEDS, which amounted to approximately another $6 million. So $27 million to $28 million was cut in economic development.

What does economic development mean? It means that people will be able to take control of their own lives. It means that the bread-winners in these families can provide for their own families. It means that there is hope for the future. It means that the aboriginal young people of today can envision a future in which they are contributing members of society and play a proper role in society. That is what economic development means. It means self-respect. It means self-reliance. It means pride and all those things.

What does this government do? It cuts those budgets, which would help lead to that kind of an outcome, by 31 per cent.

At the same time the government saw fit, and probably saw it was necessary, to increase the welfare budget by 12 per cent, by $52 million. The government says that it has $52 million for welfare but in order to pay that it must cut $28 million in economic development.

I see that very phenomena in my own riding. I am not surprised. This year the government is spending $170 million in one riding, most of it on aboriginal people, for welfare costs and income maintenance. The elders and these families will universally say that welfare has been the ruin of the aboriginal nation. The welfare system as we have developed it has helped to ruin family life and has helped to ruin self-sufficiency. It has taken away meaning in life. The elders are unanimous in their condemnation of the welfare system as we know it.

Yet, what does the minister do? The minister perpetuates the welfare system while at the same time cutting drastically, by 31 per cent, the mechanisms that could lead away from that welfare state.

• (1920)

When questioned about this earlier he said: Yes, it would be an ideal state of affairs if the aboriginal communities were in the position so that they could reallocate this money from spending on welfare to spending on meaningful work and meaningful economic activity which would build up the communities. He said it would be a wonderful thing if that were to happen.

I would like to remind the minister that he has it in his power to make that happen. Rather than creating a situation in which that is going to happen the minister has gone the other way and without consultation perpetuated the welfare system for aboriginal families and drastically cut back their ability to do anything about it.

It is indeed true that not only this government but past governments and we as a Canadian people have in many cases and in far too great a way abandoned aboriginal families—Indian, Métis and Inuit families.

I would like to conclude with the point that not only do those aboriginal families need the support, partnership and assistance of all of Canada, but we as Canadians need the contributions of those families.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I have found this debate today to be particularly interesting as it focuses on an issue that, through very sad events in the last number of weeks I have been forced, like all other Canadians, to come to grips with in real terms.

The situation at Davis Inlet that my friend from Labrador referred to earlier is a situation that has saddened Canadians and people around the world. It has brought many of us to the realization that these conditions exist in our country. They are conditions that many of us would not accept as being prevalent in 1993. For those of us who live in the province of Newfoundland and Labrador, and for people who live across the north generally, this situation is one we are reminded of often, and tragically perhaps not often enough.

At the end of January we saw some pictures that reminded us that children and families were suffering. They made us see a community that was having a great deal of difficulty in coming to grips with itself and with some of the problems before it. What is clear though is that this community, with the help of the Innu Nation, with the help of aboriginal people across Canada and with the help and encouragement of non-aboriginal people across Canada, is coming together to face the reality of the question.

Last summer, after a tragic fire in February 1992, the people of Davis Inlet decided in a report called *Gathering Voices* to look at the community of Davis Inlet, to look at the people, and to look at the families. They would try to judge for themselves what it was that was having an impact on their community, what the current conditions were that were having an impact on their children, what some of the historical realities were that led them to this position and this condition, and what some of the future opportunities might be. All of us, from time to time, are forced to look at ourselves and accept some hard realities. All of us from time to time should be prepared to suggest to ourselves that things need to change. The people of Davis Inlet went through quite a process. The reports that they have written, the comments that they have made and the talk about alcohol abuse, substance abuse, physical abuse, sexual abuse, child abuse and spouse abuse could not have been easy for the more than 460 people of Davis Inlet to talk about and to come to terms with. It could not have been easy to talk about it to the outside world and to write it down and publish it in a document that goes from testimony to commentary with photographs and poems and writings of young people and old people from today and from the past.

• (1925)

I hope I am not being presumptuous, but I think the report said that the healing must come from within. The report also said that the people felt that they could and must take that step and that the hope was there.

What also rings through, tragically enough, from the young people and from the children is that what drives them to the abuse and what has some impact on suicide is the lack of hope. None of us individually or collectively can live in this world without hope. They talk about nothing to do. They talk about an inability to see the future. They talk about the lack of hope.

Where do we go from here? Where does the community of Davis Inlet go from here? I think many in the country are aware that the Innu people of Davis Inlet were moved on to the island that they occupy today in the mid-1960s. I think many are aware that in the late 1940s the commission of the government tried to relocate about 75 people to the north. Two years later they were back in old Davis Inlet. During the first war when the caribou stopped moving through Labrador for a period of time, the people of Davis moved to where the trappers were and where the merchants were.

Today they live on an island in just under 100 houses that lack water and sewers. Many of the homes are in terrible repair and have insufficient insulation, roofs and foundations. Water is available from a central spout. It is not so much the physical condition of the community that I read about and the people of Davis that I talk to speak of. It is the culture, social relations, emotions and gut of the community that they are most concerned about because those are the future.

As we talk about relocating the community and the future of that community it is not again the physical movement of the community and what it will look like in terms of cluster houses or spokes. It is what that community will be.

The most important thing of the process that we are going through is to ensure the vision that the people of Davis Inlet have for their community. This will lead them to decide on how that community will work, to deal with the questions of how the education system will function and to see how health care will meet broad

family needs that deal not only with the substance abuse question but wellness and all that that means.

• (1930)

This is the vision that will incorporate the social fabric of the community where extended families have always been so important. It will take into account the cultural realities of the Innu, the Naskapi, the people of Davis Inlet and will address what the economic opportunities are for those people.

What are the things that in the future the children of Davis Inlet will do? It is that vision that must guide what this new community will be, how it will function and how the people of the community will relate to each other, to the community and to the people around them.

It is no good for the Government of Canada or the Government of Newfoundland and Labrador to go in and say, "We will move the community and this is what it will look like". It will not work. It is inappropriate and it will be ineffective.

We all want to ensure that we do not simply transfer the problems of Davis Inlet to a new community. No one feels that stronger about that than Chief Katie Rich and her councillors, the people of Davis Inlet, the Innu nation as a whole and certainly the governments.

What do we do? How do we avoid that?

First, we have agreed to try to reach an agreement on a memorandum of understanding. That will lay out an agreement on what it is we want to accomplish here.

Second, there is the process by which we will get there. Obviously there is community consultation and planning such as what went on last year around the report entitled *Gathering Voices*. That has to be an important part of that as does the funding.

The Government of Newfoundland and Labrador, I think I can say without fear of contradiction, recognizes that it too has a role in this process and has a role financially.

The Government of Canada has made it very clear that it will support the process that will ensure the participation of the people of Davis Inlet and the Innu nation. More than the participation, it will ensure that the vision that I spoke of a few moments ago will be incorporated in every aspect of that community: education, culture, social relations, economics. That essence of the community will be evident as they deal with the conditions that have led to the abuse and the tragedy we have seen around the children today.

There is more than that in the short term. We certainly have some situations that must be addressed immediately if those people are to live with minimal comfort over the next two or three years in the community that they presently occupy.

I have written to the chief and I have committed to her that we will provide the funding necessary to catalogue those needs and to look at some early solutions perhaps to some housing problems and perhaps to the provision of water. This is not to make big expenditures that will not be of any value to us after two years, but to ensure that the quality of life for the people that remain in Davis Inlet over the next little while is made a little bit better.

The question of health is particularly important to the community and for all of us that share the concern. There has been a suggestion that a wellness centre or a family well-being centre could be constructed. I think this is a good idea and I have given them the commitment of the government that we will with them do an assessment of what the health needs are in the community.

The nurses are in place now, the doctor that moves from place to place, the role of the social workers and the employees of the Government of Newfoundland and Labrador all have to be incorporated into providing the type of health care that ensures healthy babies, safe pregnancies and that the sick get the help they need and the aged get the comfort they need.

Help that focuses on preventive medicine and traditional medicine and medicine that reflects the needs of those people who have lived so long on the land in Labrador should be taken into account.

• (1935)

We are dealing together with the tragedy of the young children who are chronic abusers. They are now spending time in Alberta in an attempt to give them the support that is so essential and what they need.

The minister of Indian affairs and others have talked about ultimately changing governance in a fundamental way and the way aboriginal communities control themselves and have the decision-making power that they need so much. Self-government is a concept that has

been in this country for a long period of time. Some worry that it has no definition. Some worry that they cannot lay it down on a sheet of paper and follow it through. I understand that concern but it is not one that I particularly share myself.

To me self-government meets the concept of self-determination: responsibility for oneself and one's people. Self-government means that you have, as one of my colleagues today referred to, the ability to manage oneself and take the risks that are involved in that. It is to be able to ensure that the community says what happens to the community. The community makes the decisions not only in what it does but in the values that are the guideposts to those decisions. They are not values that are set or perceived in Ottawa or Vancouver or Halifax or, for that matter, perhaps Yellowknife or Whitehorse, but values that are of that community.

Because the history, the culture, the social conditions, the economic opportunities and the value systems change from community to community, the actual definition of self-government will change. Self-government for the Innu people and ultimately the people of Davis Inlet, or whatever term one wants to use, is the ultimate goal. The achievement by those people to be able to manage their present and therefore their future without the encumbrance of government but with the responsibility for themselves and their children and the responsibility over the resources that they will manage is something they want to attain. It is something to which I, this government and the members opposite are fundamentally committed.

The attainment of that is essential. It is an expressed wish of the people of Davis Inlet and the Innu nation that we reach conclusions on land claims in this area. I have given them my commitment. The minister has written that it is very much our interest to continue to pursue that.

We all recognize however, including the people in Labrador, that this will take some time. It is essential to me and to all the people I talked to that we not lose focus in dealing with Davis Inlet. We must recognize that the people of that community are our number one concern. The families, men, women and children of Davis Inlet can never leave our minds in light of land claims, the concepts of self-government and major and substantial policy issues that are on a national stage that involve all aboriginal people and that must be solved and that do impact on the people of Davis Inlet.

However, if we are going to tie the success of the transfer of the community to the resolution in absolute terms of those issues, then we will never get to the problem of the people of Davis Inlet. This is a problem that they want to resolve and we have the obligation to work with them to resolve it. It does not mean that we turn our back on land claims, absolutely not. It does not mean we abandon self-government. Quite the contrary. It means that we look at things in context. We look at what is important, the people of the community.

• (1940)

In response to some very serious needs in the community we were able to provide some emergency short-term funding, quite substantial funding I might add.

We recognize the process that must be used by the community and the Innu people to reach agreement on the wording of the memorandum of understanding. It will lead us to the process of defining the new community based on the vision of the people of that community and is one that will primarily involve extensive consultation.

Yes, it will involve engineers, planners, economic experts and health experts. Even they ultimately must be prepared to respond to what it is the people of Davis Inlet feel will make their community work for them.

I believe absolutely that when the Davis Inlets of this country work for the people in those communities, they will work for every one of us in this country. They will work for all Canadians. As every Davis Inlet in this country becomes a better place in which to live, this country becomes a better place in which to live.

I believe absolutely that we together, led by the people of those Davis Inlets will find the solution so that the next generation does not go through this, so that we avoid that. We must be there with them to find those solutions.

Ms. Ethel Blondin-Andrew (Western Arctic): Mr. Speaker, it is very interesting to listen to the speech by the hon. member. He has spent a lot of time on aboriginal issues in our committee as well as with the

Minister of Indian Affairs and Northern Development and his department.

It cannot be easy because the Davis Inlets of Canada are many and the problems have accumulated over the years. Having said that I would like to look at a more futuristic agenda that will deal with the lives of children and families ultimately if people are empowered to do so.

I think in particular of two groups that are well on their way to working out land claims packages. One is the Inuvialuit who would like very much to be resourced to work on a self-government regime for their people on a regional self-government basis. That is much warranted and is to be supported. The other specifically is the Council of Yukon Indians which is working on an agreement and is under a very tight deadline. It has to have the agreement of four First Nations in order to complete the arrangements. It is under-resourced. It would like $1.2 million worth of bridge funding for those four First Nations as well as $500,000 to cover some debts it has in working very hard to achieve this claim.

I am wondering if the hon. member has any good news for us on this front.

Mr. Reid: Mr. Speaker, I wish I had but that does not mean I will not.

I think my friend knows that we all have to be prepared to commit to the processes that the Inuvialuit and other communities go through. The bridge funding issue for the four different groups is one I know the department will deal with and is one I will raise with the minister.

We get into this political world and we get constantly fixated and tied up with money. We all get into it. As I said earlier to my friend from St. Boniface, the question of available resources is one where there is never enough money. There is never enough money.

I look at the situation in Davis Inlet and realize that we could spend huge amounts of money. I will be frank and say that the amount of money we have spent in the short term and will spend in the long term in Davis Inlet will be very substantial.

• (1945)

Frankly, some people in other communities wonder why we would spend that amount of money, particularly in the short term. My answer is that we spend it now in perhaps large amounts or we spend it in the future in huge amounts. That is applicable across the country.

However, it has to be said that it is not a bottomless pit, that resources have to be spent wisely. I have to say that my experience with aboriginal communities in the west, in the north and in Ontario, is that they understand very well how to get best value from the resources, be they money or natural resources or others. It is something a lot of us could learn from and about. I hope that we would and benefit from it.

The Acting Speaker (Mr. Paproski): It being 7.45 o'clock p.m., it is my duty to interrupt these proceedings and put forthwith every question necessary to dispose of the business of supply under the provisions of Standing Order 81(14).

Accordingly, 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 (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

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

(*Division No. 430*)

YEAS

Members

Allmand	Althouse
Anawak	Angus
Assad	Bevilacqua
Black	Blondin-Andrew
Boudria	Brewin
Butland	Caccia
Campbell (South West Nova)	Catterall
Comuzzi	de Jong
Duceppe	Duhamel
Ferguson	Fisher
Fontana	Foster
Funk	Gagliano
Gauthier	Guarnieri
Harb	Harvey (Edmonton East)
Heap	Jordan
Kaplan	Keyes

Kilger (Stormont—Dundas)
Kristiansen
Langdon (Essex—Windsor)
Manley
McGuire
Milliken
Nault
Parent
Peterson
Pickard
Proud
Rideout
Samson
Stewart
Taylor
Vanclief
Whittaker
Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)
MacLaren
Marchi
Mifflin
Mills
Pagtakhan
Parker
Phinney
Plamondon
Prud'homme
Riis
Skelly (Comox—Alberni)
Stupich
Tobin
Walker
Wood—66

NAYS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blackburn (Jonquière)
Bosley
Brightwell
Cadieux
Cardiff
Chadwick
Clark (Yellowhead)
Cole
Corbeil
Couture
Danis
DeBlois
Dick
Dorin
Epp
Ferland
Fretz
Guilbault
Halliday
Hawkes
Holtmann
Hudon
James
Kempling
Langlois
Layton
Lopez
MacKay
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Moore
O'Kurley
Porter
Reimer
Robitaille
Scott (Hamilton—Wentworth)
Siddon
Soetens
Tardif
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard
Andre
Attewell
Belsher
Bertrand
Bjornson
Blenkarn
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Cooper
Corbett
Crosby (Halifax West)
Darling
de Cotret
Domm
Edwards
Fee
Fontaine
Friesen
Gustafson
Harvey (Chicoutimi)
Hicks
Horning
Hughes
Joncas
Landry
Larrivée
Loiselle
MacDougall (Timiskaming—French River)
Marin
Masse
Mazankowski
McDermid
McLean
Monteith
Oberle
Plourde
Redway
Ricard
Roy-Arcelin
Shields
Sobeski
Sparrow
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
White
Worthy—110

Private Members' Business

PAIRED MEMBERS

Bélair
Crawford
Charest
Hockin

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Pursuant to Standing Order 30(7), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

• (2015)

[*English*]

AUTOMOTIVE POLLUTION REDUCTION ACT

MEASURE TO ENACT

The House resumed from Thursday, December 10, 1992 consideration of the motion of Mr. Ferguson that Bill C-226, an act to reduce automotive pollution, be read the second time and referred to a legislative committee in the Natural Resources envelope.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I rise on debate to support Bill C-226, an act to reduce automative pollution and to applaud the initiative of my colleague, the Liberal member for Lambton—Middlesex who introduced this private member's bill.

The federal government has a duty to protect Canadians from harm, to shelter them from danger. This bill presents the government with a timely challenge, namely to ban the use of methylcyclopentadienyl manganese tricarbonyl, for short MMT, from our gasoline and require all gasoline in Canada to have a minimum oxygen content of 3.2 per cent.

As the critic for the Department of National Health and Welfare for my caucus, I shall focus my debate on health issues. Suffice it to say that the bill will also be an advance in so far as the change would be environmentally friendly for our users of automobiles.

MMT has crossed the American-Canadian border to the Canadian automobile gas tanks. MMT also is known to cross through the placental barrier of a pregnant woman to affect the unborn child. Foetuses have been found to have almost 10 per cent more manganese in their bodies than their mothers. This is frightening, considering the fact that the substance, the key additive

in MMT, can damage brain cells and is linked to many diseases such as Huntington's chorea, amyotrophic lateral sclerosis and others. It also can cause displays of symptoms of Parkinson's disease and Alzheimer's disease in patients, as well as influence violent behaviour, hallucinations and loss of libido.

This metal can adversely affect many vital systems in the human body, such as the central nervous system and the reproductive system. It can damage not only the physical human body, but as well the human mind.

I understand that in the United States, where MMT is currently disallowed by the Environmental Protection Agency, the argument rages over whether MMT contributes to efficiency of automobiles. In Canada, I submit we should rise beyond that debate, saying we care far more for the health of our people than we do for the health of our automobiles.

I ask the industry to give us gasoline that does not interfere with hormones of reproduction, make people violent or cause paralysis and tremors in its victims.

I know representatives of Health and Welfare Canada have said MMT should hold no fear for Canadians. I also know, however, that recent studies at the Albany Medical College in New York have shown that iron deficiencies can lead to a magnetic-like attraction to manganese.

In my work as a physician and as Liberal critic for health and welfare, I have become aware of the profile of iron deficient people. Usually they are those who have poor diets. Those people with a poor diet are usually the same people who live in poverty. Coming from the urban area of Winnipeg, I have seen the inner city poverty that would help pinpoint those most susceptible to manganese poisoning.

These people have already been dealt enough hard knocks in life. Why add to their burden? Why when we have seen the work of Dr. John Donaldson, whose paper for the National Research Council showed that a manganese "hit" in the womb can trigger an acceleration of the brain's aging process?

• (2020)

Where are the defenders of MMT? One of those defenders would be Ethyl Corporation of the United States, which currently produces 60 million pounds of tetraethyl lead for gas in Canada, shipping it to the Third World countries and other less industrialized nations. So Canada has quietly aided and abetted the poisoning of fathers, mothers and children from South America to Asia.

Now this same company is preparing to bring MMT into the United States if it can get past the EPA, which has denied the application three times. The company had argued that Canadian data supports its position. I submit that we have an obligation to set an example for the international community and thereby not be seen supporting the use of this metal.

I ask again: Why is this additive allowed in Canada? Dr. Donaldson, who began his work on brain cells—and I am proud to say at my own former university, the University of Manitoba—has found that manganese, although found naturally in many foods, is toxic when inhaled into the lungs or absorbed through the skin. It causes brain cells to die, according to Donaldson's research.

Let me quote from an article by Nicolas Regush, a *Montreal Gazette* reporter who has also chronicled the medical devices catastrophes at the Health Protection Branch. I have chosen to quote from him because he is able to narrate to us in the language of many his observations on this issue. He states:

> Biochemical analysis of the central-nervous-system tissue in humans and monkeys poisoned by manganese showed that the metal reduced the levels of dopamine—a brain chemical which seems to prevent nervous system disorders—causing brain cells to die. The data suggested that manganese could target the region of the brain known as substantia nigra, where dopamine-containing cells originate and then project into the basal ganglia region. Brain-chemistry disruptions and cell death in these regions appear crucial to the development of other progressive neurological disorders. Probably most vulnerable to the metal's toxic "hit" are infants, young children, and women, whose defense systems against the retention of excess manganese—the blood-brain barrier and the excretory system—have been shown to be less efficient.

I have read the speech of the Parliamentary Secretary to the Minister of National Health and Welfare and find her arguments ignore any of these studies. Interestingly, she supported her resistance to this bill by saying the Environmental Protection Agency in the United States had found no health risks in MMT. The EPA hearing documents reveal findings were inconclusive and that the studies did not show that MMT did not harm humans.

Could this government not fall on the side of safety for once and believe our own scientists at home who testified that manganese intoxication mimics Parkinson's disease?

Let me conclude by saying that this is a bill that has been introduced by my colleague from Lambton—Middlesex and we should all salute him. It seeks to protect the health of Canadians in addition to the cleanliness of our air and helping the farming economy. Yet for reasons I cannot comprehend, the government remains adverse to this bill. I hope one day soon the government will change its mind and its heart for the future health of all Canadians.

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am pleased to participate in the debate on Bill C-226, a private member's bill, which is entitled an act to reduce automotive pollution. With that in mind, it also states "the purpose of the bill is to reduce automotive pollution".

• (2025)

Who can argue with that kind of a purpose in legislation? I think all of us are environmentally conscious enough to realize there is a real need to do this.

I remember when we moved to the Fraser Valley back in 1938. On any given day you would wake up in the morning and get a pristine view of the north shore mountains. They were never shrouded in pollution or smoke, even though there were numerous sawmills around. There was always a clear view.

Now in Vancouver on any day when there is an inversion there is a yellowish-purple cloud hanging over the city and shrouding the mountains. As the wind blows up the Fraser Valley it acts somewhat like a chimney. It funnels that pollution up the valley and cities like Abbotsford and Chilliwack and Hope which do not have an industrial base are now getting the so-called benefit of the automotive pollution from the Vancouver area. The air is more polluted up the valley than it is in the lower valley.

We recognize there is a need to reduce automotive pollution. There is an urgency to that need so we cannot argue with the purpose, nor can we argue with the goal. The goal is stated in clause 3 first of all to eliminate MMT. We cannot argue with that. It is a long chemical term that I cannot even sneeze out. I will not even try. My scientist friend, a former university professor who will follow me on this side, can deal with the scientific side of it.

The purpose is to eliminate MMT. Regardless of whether the Royal Society of Canada's commission on lead says it is not a serious pollutant, it is a pollutant. Therefore the day should come when we get rid of it. We cannot argue with that goal, nor can we argue with the ultimate goal of 3.2 per cent oxygen in the gas.

We already have the 10 per cent ethanol in gasoline. In fact this government is participating in a program with Mohawk Oil Company in British Columbia to have ethanol gasoline distributed all through the Fraser Valley. I use that gasoline whenever I can because I know it will help reduce the amount of destructive emissions in the air. That is a laudable goal.

There is a problem with the bill. That is the guillotine. It says in clause 10 that with the passage of this bill the act shall come into force six months after it is assented to. The bill actually ignores what is going on in the entire scientific and government communities.

The fact is that a tremendous amount of research is being done in the industrial community, in the research community outside the industrial components, by the provincial governments, by the federal government. This is research that is in train to arrive at some of these goals to reduce the pollution.

The six-month guillotine that this imposes on all that research says in effect that while the research is going on it may not come to its conclusion of the 3.2 per cent oxygen or the elimination of MMT. Regardless of what the stage of research is at that moment, forget it all.

An illegal product is now being produced. You can neither produce whatever you were working on nor can you sell it. The sale of a product that contains MMT or has an oxygen level below 3.2 per cent is in contravention of the act and is liable for a fine up to $100,000. That is where I have a problem with the bill, not even with a fine, or even the sale of it if the technology has arrived at that level.

• (2030)

The problem is if it could be done then it would be great. But this bill introduces the notion that you have to be able to accomplish this and if you do not you will be fined. If the scientific community does not achieve what

this bill says, folks, you are out of business and everybody is violating the law whether the marketplace has any in place at all. So the scientific community better produce the research and produce the product. If there is no product, there will be a shortage.

I have a problem with that. What happens to the entire Canadian scene if the product line has not yet been developed but you are supposed to use it? How do you go about maintaining an economy if you do not have the resources to do it and you are going to be fined if you do not obey the law? There is a slight problem here.

I say to the member I would vote for this if it could be done. He can say that this is an opposition bill and that we are are voting against it because it is an opposition bill. Well I want to say to my friend, the member who introduced the bill, those of us who have been here since a few years before the last election—I know he had a bit of a hiatus there, a little vacation—some of us have voted for opposition bills.

I voted for Bill C-204 which was an opposition bill put forward by a member of the New Democratic Party who is now on vacation from this place. She brought forward that bill. I voted for it as did a lot of government members. It passed and it is the law today. Sometimes it is honoured in the breach, but it is the law. So I say to him that I would vote for it if it would do the trick.

I know there is another bill coming forward to protect firemen sponsored by a New Democratic member. I want to tell the hon. member that I intend to vote for that bill if it comes forward to a vote. I think that is a good piece of legislation. If he smiles and laughs that I am going to vote for it because it is an opposition bill, forget it. It is not right. It is not true.

I will not vote for this because the goal is not an attainable goal. Also the technology, as sincerely as the provincial governments and the federal government and the industries have tried to achieve this goal they have not done it yet. Surely we cannot impose a fine of $100,000 on people for using the product that is now illegal but there is nothing on the market that is legal to replace it.

I say to him if he would do it, if he would draft a bill like this that would be consonant with the findings of science up to this point, the calendar, the progression, the time line that research can do, that technology can produce I would vote for it, because who can argue with the purpose of it. All of us here look forward to the day when our atmosphere will return to the kind of purity that we at one time enjoyed.

We want to see the emissions reduced. I want the hon. member to know that if we can find the technology and the legislation to back it up, we will do it. I will support it and both of our purposes will be met and all of us will be happier for it.

Mr. Steven W. Langdon (Essex—Windsor): I think this is one of those rare occasions on which we have a bill before us which actually can succeed in dealing with a potentially serious health question.

At the same time it can assist part of our economy that needs assistance, the farm sector. Frankly, it does not have serious problematic consequences for our existing automotive industry in this country nor indeed even in the end for our present petrochemical and petroleum refining industries. I think that what we have here is in fact a piece of legislation which, if we look at it in completely literal form and we say well, yes, this would require us to replace our present system of gasoline in six month's time, might appear to be too extreme. But that is not what we are being asked to do at this point. What we are being asked to do is, frankly, to look at this and ask ourselves do we in principle agree with the direction in which this piece of legislation is going; does it make sense to send it to committee; and, can we in committee bring before us some of the experts who might improve some of the technical elements of the bill?

• (2035)

For myself, there are two major reasons why I think this bill makes sense. The first is that environmentally this would create for us a situation significantly better than the situation which we presently have in which MMT is used in gasoline and the connection between MMT and various neurological disorders certainly is suggested by much of the work which has been done scientifically.

If we were to move in the direction this bill suggests we would see ourselves replacing MMT with ethanol. If we were to bring forward a regular unleaded but MMT-free gasoline with a 10 per cent ethanol blending, that would

reduce automotive emissions in this country, studies have suggested, by the following amounts: In the case of carbon dioxide by 5.9 per cent; in the case of carbon monoxide by 25 per cent; in the case of volatile organic compounds by 8.5 per cent; in the case of nitrous oxide by 5.7 per cent; and in the case of urban ozone, so serious to our ozone layer, by 5.3 per cent.

I think that is something which is an important accomplishment to aim to achieve.

Second, and I say this as someone who represents a constituency with a significant number of farmers producing both corn and wheat, we would produce for people in my constituency and for people in many agricultural producing constituencies across the country an important new market for the output from corn and wheat which is grown in this country. It is even conceivable that we could see 20 per cent of the grains produced in this country going into ethanol production to be used to produce these 10 per cent blended ethanol gasolines, which would be so much better for the environment.

We have something here which would be better for the environment, something which would be better for farmers, and something I am convinced, as a representative of a constituency that produces automotive vehicles, which our automotive companies would be able to adjust to very, very easily.

These kinds of requirements have been in place in California for a significant period of time. The car manufacturing companies have found it possible to adjust. There would not be a problem in this country for our automotive producers to make a similar adjustment.

• (2040)

I suggest strongly that this House look positively at this piece of legislation. It is a piece of legislation for which the member from Lambton deserves considerable credit for bringing before this House. He has worked very hard to bring before all of us in the House a great deal of information with respect to the health benefits and the economic benefits associated with this legislation.

I think all of us should accept this piece of legislation as something which takes us in the right direction, something which therefore gives us a positive movement forward which we can analyse in committee, perfect in committee, and deal with any problems that might exist in terms of timing in committee. I think therefore that it is a good piece of legislation.

I would hope for instance that the previous speaker would look at this piece of legislation as he looked at the legislation from my former colleague in this House, the former member for Broadview—Greenwood, Lynn McDonald, and see that in fact it makes sense for him too to support this piece of legislation because it has the same kinds of positive benefits that the piece of legislation from Lynn McDonald had in the previous Parliament.

Hon. William C. Winegard (Guelph—Wellington): Mr. Speaker, I agree with the previous speaker that indeed we should look positively at the concepts involved in this bill. There is no question that it would certainly help my agricultural community if we could promote the use of more and more ethanol in gasoline mixtures.

I am certainly quite prepared to look at banning MMT, methylcyclopentadienyl manganese tricarbonyl, which as we know may indeed have some health effects although the Royal Society's commission did not determine that that was so.

I would like to see, as I said earlier, the use of more ethanol in gasoline mixtures. My concern about the bill is that it assumes a simple, quick change that I do not believe is easy to bring about. It is not I believe in the best interest of Canadians in the short run to move very quickly to what the hon. member wants.

Is my time up?

The Acting Speaker (Mr. Paproski): Yes.

Mr. Winegard: That is the longest speech I have been able to make in this House for quite a while.

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

It being 8.42 o'clock 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?

An hon. member: Agreed.

An hon. member: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

• (2100)

And the division bells having rung:

The Acting Speaker (Mr. Paproski): Following the adoption of the 24th report of the Standing Committee on House Management on Wednesday, April 29, 1992, the division will be taken row by row, starting with the mover and then proceed 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. Those opposed to the motion will be called in the same order.

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

(Division No. 431)

YEAS

Members

Althouse	Anawak
Angus	Assad
Bevilacqua	Black
Blondin-Andrew	Brewin
Butland	Caccia
Comuzzi	de Jong
Duceppe	Edmonston
Ferguson	Fisher
Fontana	Foster
Funk	Gagliano
Harb	Harvey (Edmonton East)
Heap	Jordan
Keyes	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
McGuire	Mifflin
Nault	Pagtakhan
Parker	Phinney
Pickard	Plamondon
Proud	Prud'homme
Samson	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Taylor
Tobin	Vanclief
Whittaker—49	

NAYS

Members

Beatty	Belsher
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blenkarn	Boyer
Brightwell	Casey
Chadwick	Champagne (Champlain)
Cole	Corbeil
Couture	Crosby (Halifax West)
Darling	DeBlois
de Cotret	Dick
Domm	Dorin
Edwards	Fee
Ferland	Fontaine
Fretz	Friesen
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hudon
Hughes	James
Joncas	Kempling
Langlois	Larrivée
Layton	Loiselle
Lopez	MacDougall (Timiskaming—French River)
Marin	Martin (Lincoln)
Masse	Mayer
McCreath	Monteith
Moore	Oberle
O'Kurley	Plourde
Porter	Reimer
Ricard	Robitaille
Roy-Arcelin	Scott (Hamilton—Wentworth)
Sobeski	Soetens
Sparrow	Tardif
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Van De Walle
Vézina	Vien
Wilbee	Winegard—74

PAIRED MEMBERS

Andre	Bélair
Catterall	Charest
Crawford	Gauthier
Hockin	Landry
McDougall (St. Paul's)	Milliken

The Acting Speaker (Mr. Paproski): I declare the motion lost.

It being 9.07 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

The House adjourned at 9.07 p.m.

HOUSE OF COMMONS

Thursday, March 11, 1993

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 18 petitions.

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

* * *

CONFLICT OF INTERESTS OF PUBLIC OFFICE HOLDERS ACT

MEASURE TO ENACT

Hon. Harvie Andre (for the Prime Minister) moved for leave to introduce Bill C-116, an act to provide for greater certainty in the reconciliation of the personal interests and duties of office of public office holders, to establish a Conflict of Interests Commission, to amend the Parliament of Canada Act and to make consequential amendments to other acts.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

M. Andre (for the Prime Minister) moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

[*English*]

PETITIONS

WATER DIVERSION

Mr. Nelson A. Riis (Kamloops): Madam Speaker, once again it is an honour and a privilege to present petitions this morning on behalf of the residents of the Clearwater, British Columbia region. They have a very elaborate petition pointing out basically that they are concerned about the proposal in British Columbia by a firm with business relations with American firms to divert the North Thompson River near Valemount in order to sell one million acre feet of fresh water to California purchasers.

They say this would result in a 35 per cent reduction in the river flow at the point of diversion. They suggest that this seems to be part of the proposal of the Ralph M. Parsons Company of Pasadena, California called the North America Water and Power Alliance Project.

• (1010)

They are simply asking with the North America free trade agreement which is before us that the Government of Canada take whatever steps are necessary to ensure that water is exempt from any provisions attached to NAFTA.

CHRISTINE LAMONT AND DAVID SPENCER

Mr. Lee Clark (Brandon—Souris): Madam Speaker, it is my honour to present a petition on behalf of many Canadians, some of whom reside in my constituency of Brandon—Souris.

The petitioners note that two Canadians, Christine Lamont and David Spencer, have been sentenced to 28 years in a Brazilian prison. They have suffered miscarriages of justice, cruel and unusual treatment in Brazilian prisons and discrimination of sentencing and parole. There have been riots in the compounds in the prisons. The only relief from such severe punishment is for Canada to request expulsion in accordance with Brazilian law.

The petitioners call upon Parliament to urge the Prime Minister to request the Government of Brazil to expel Christine Lamont and David Spencer and return them to Canada in accordance with Brazilian law.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Madam Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO AMEND

The House resumed from Tuesday, March 9, consideration of the motion of Mr. Andre that Bill C-73, an act to amend the Canada Post Corporation Act, be read the third time and passed.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, it is a pleasure today to speak to Bill C-73, an act amending the Canada Post Corporation Act.

I have followed this issue for some time, having been the postal critic for the New Democratic Party for the first two years of my sitting as a member of Parliament in this House of Commons.

I represent a constituency with approximately 50 postal operations, 50 rural post offices and an urban post office in the city of North Battleford. I have always considered the postal operation to be a very significant part of the rural economy that allows services and people to work in our communities. Of course agriculture is the key that drives the constituency I represent but the post office is a representation of federal services in rural and agricultural Saskatchewan.

This bill before us is a significant change in the way Canada Post operates. It is a significant change in the way in which the public can perceive the operations of Canada Post. Members of Parliament in this Chamber today, the people of Canada, including those watching on their TV screens, should understand what the government is doing with Canada Post through an amendment to this act. It is providing us with a corporation that is moving toward a private sector operation and away from the service-oriented corporation that Parliament created on behalf of the people of Canada back in 1981.

It will be remembered quite clearly that the original mandate that was set up and that this Parliament established to govern Canada Post was one that put service first. The mandate said very clearly that postal service was the number one priority of the people of Canada in having a communication network at Canada Post.

The minister was quick to tell us on many occasions that the mandate also said that this Parliament gave Canada Post the mandate to be self-sufficient. I cannot disagree with that. I agree that the post office was working toward and should operate on a self-sufficient basis.

• (1015)

In rural communities there are times when the taxpayers' only visible return from the federal government is the operation of the post office in their community.

This government has allowed Canada Post to operate beyond self-sufficiency. Nowhere in this mandate is Canada Post required to turn a profit. There is nothing in this mandate that says Canada Post is supposed to return 16, 17, 18 per cent on investment which is one of the goals that Canada Post Corporation management has placed for itself. Certainly a return on investment of 16, 17, 18 per cent above a break-even point is creating an additional tax on Canadians to run a service that in a sense they are already paying for.

I am quite concerned about some of the directions Canada Post has been taking.

This amendment today moves us clearly into the area of privatization of Canada Post. Specifically this bill will make 10 per cent of Canada Post's non-voting shares available for purchase by Canada Post employees on a voluntary basis.

Essentially Canada Post is saying that it wants to relieve labour-management tensions by allowing Canada Post employees to put some of their wages back into the corporation without any input. These are non-voting shares. In putting part of their wages back into the corporation by purchasing these shares they would feel as if they were contributing to the operations of Canada Post. I do not understand it.

It is the beginning of the process of establishing a share structure in Canada Post that will eventually allow for the sale of shares that go beyond 10 per cent. If there is a 10 per cent share offering to employees today, what is to prevent a simple amendment to this act to allow for another 10 per cent to be offered to the rail lines, or another 10 per cent to be offered to the book publishers or the newspapers, or an additional 10 per cent to be offered to the banks for mailing out their bills to everybody in the country? It would be a fine thing to see the banks having a share in the operations of Canada Post some time down the road.

If the objective of the government is to relieve the tension and stress between the employees and the management of Canada Post, there are many different ways to achieve the relief of that tension than to simply ask the employees to put their wages into a share offering.

It is clear that Canada Post employees, those who are members of the Canadian Union of Postal Workers in any case, have rejected the idea that they should be asked to pay to help relieve the stress in the work place.

Canada Post should provide the people who work within the corporation with a real say in how that corporation works. It is the only way the employees are going to feel a much greater part of their work place.

I have a number of things to say in this regard that I will get to in a minute. However, the very best share offering that Canada Post could offer its employees is a good contract, one that provides good wages and job security for all who work there.

Some time ago just prior to my giving up the position of postal critic for the New Democratic Party and moving at the request of my leader into environmental protection areas of expertise, after significant study of Canada Post operations I wrote a report on the future of the national postal system.

At that time I recognized clearly the problems between management and employees at Canada Post. I offered many recommendations to the government and to Canada Post on how to better run the corporation. Among those recommendations were a number that dealt specifically with how to make Canada Post a better place for the people who work there. It would then be a better place for the consumers of Canada Post, the people who receive the services.

• (1020)

I want to go back and quote from the recommendations that I made in my report, recommendations that the government and Canada Post have so far chosen to ignore. These recommendations are as follows.

First, technological change in the work place should occur only after evaluation of health and safety factors and should be introduced and operated with agreement of the unions affected by the change.

Second, in order to develop a more efficient, healthy, safe and productive work place, the employees' unions should play a greater role in the decision-making process within all levels of Canada Post.

Third, the Canada Post Corporation should end its harassment of sick and other employees and its intimidation of employees in the work place and at home.

I travelled the country the first two years I served as a member of Parliament talking to postal workers from St. John's, Newfoundland to Victoria, British Columbia, and in every single community and work place that I visited the people talked to me about the harassment of sick and injured workers, to get them back into the work place and get them working at reduced rates. Clearly it was an attempt to force them out of that work place so that they could bring in junior and lower paid employees.

When I talk about Canada Post Corporation, the best share offering it could make is a contract with good wages and job security. Canada Post is asking its members to buy shares. The only way in which these shares are going to produce any return for the employees, and the employees know this, is if the corporation continues making profits, by cutting services and cutting jobs.

When employees buy into this share offering they are in fact buying into a plan that will eventually eliminate jobs, perhaps even the job of the person who has purchased those shares.

Fourth, the corporation should provide the time, personnel, authority to and finances for health and safety committees which would be able to make recommendations and monitor the development of changes aimed at transferring Canada Post into a healthy and safe work environment, paying special attention to addressing the root causes of repetitive strain and other frequently occurring injuries.

Fifth, the corporation should address absenteeism from the perspective of recognizing a healthy, safe and creative work place with reasonable demands in compensation as the best way to ensure productivity increases and absenteeism decreases.

Sixth, the corporation should develop a management strategy aimed at addressing the preponderance and promulgation of the number in management at all levels both in the context of cost and efficient and responsible decision making.

Every single employee of Canada Post knows, especially the employees who work in the rural parts of Canada, that the management levels of Canada Post have grown five times in the last four to five years while the service sector part of Canada Post has felt decreases in employment.

Seventh, the corporation should improve its work scheduling to ensure that all work possible is contracted in and performed by full-time well-trained employees.

Some of the things that the Canadian people recognize first when they talk with Canada Post employees is that some of the people they are talking to are not very well trained and not very well versed in the matters they are addressing.

For the most part those people are the contracted out employees, the employees that are brought in to do part-time or casual work. They are put on the front line to deal with public concerns and complaints in the post office and elsewhere. We need full-time, well-trained people at Canada Post and it is a first responsibility of the corporation.

• (1025)

When I put this report together the one element I noticed that was really missing was that the government refuses to be accountable for the operations of Canada Post. It is simply allowing the management to do what they wish to do. I recognize that is a result of the government agreeing with what Canada Post has been doing, moving toward the privatization of the corporation.

However, the government is accountable and somehow we have to find a way to make the government accountable to the people of Canada for the operations of this Crown corporation, Canada Post.

The very first recommendation I made after my two years of work and study in this area—and I want to remind the House I raised this on many occasions as the post office critic—was that a permanent, full-time Canada Post commission should be established to oversee its operations. The prime function of this commission should be to ensure the corporation adheres to its mandate in the context of placing accessible, quality service for all Canadians as its first priority.

The commission would be directed by a board composed of equitable representation from rural organizations, consumer organizations, the postal unions, small and big business, including the major mail users because I realize that the major mail users are a significant contributor to the financial operations of the corporation. Seniors, the disabled, environmental and native Canadian representatives would also be a part of this board because they are all directly affected, as all Canadians are, by the operations of Canada Post, the one real means of communicating by paper we have.

The board should ensure that there is equitable regional, provincial and territorial representation among its members. I asked that the Canada Post commission have the power to interpret the actions and policies of the corporation in the context of the corporation's mandate and enforce adherence to that mandate, that mandate being service as number one.

This corporation has made profits in two of the last three years and intends to make profits this year again at the expense of service, particularly in the rural areas, but service is being affected now in the urban areas with the consolidation of postal areas.

Input from the public should form a significant part of the operations and decision-making of the commission.

Madam Speaker, you will remember the Marchment commission. The government recognized that the public had something to say about Canada Post and a few years ago established the Marchment commission to look at its operations. The Marchment commission came back and told the government that there were significant deficiencies in the operation of Canada Post, that the service mandate was being ignored and, more important, that rural post offices were being closed when they did not have to be closed. The response of this government was not to listen to the report of the commission but rather to shut the commission down, fire the people who worked for it and then carry on with its operations, having said: "We listened to the Canadian people," and that was the end of it.

Finally, the Canada Post commission, as I see it, should have the authority to receive from Canada Post whatever information the commission deems necessary for its deliberations. I say that because we found Canada Post to be one of the most secretive of the Crown corporations. When you need something from Canada Post, likely what you get is not what you want, not what you have asked for and not what you have needed but something else, something that completely alters the way in which you want to respond to some of the information that is available.

I am appalled with the way in which Canada Post has been treating some of the people in Canada. This goes back to the closing of rural post offices, the increasing of postal rates and the working with Communications Canada to eliminate the postal rate subsidy for community newspapers.

• (1030)

We continue to see Canada Post tramping on the needs of Canadians. We found this horrible situation a month ago where Canada Post now says that if it delivers a letter to the wrong address, then the person who gets that letter has to pay to have that letter sent to the right address. Of all the crazy things to have to do.

When a letter is supposed to be going to one person and it goes to someone else, it may end up getting thrown in the garbage because that person is not going to go out and buy 43 cents worth of stamps, or whatever it costs now plus GST, to send that letter to the right addressee. It is a crazy situation. Why is Canada Post doing this? It says to save money within the corporation.

As my colleague from Chambly just said, it is a move to punish Canadians. I agree entirely. Canadians right across the country have been punished by Canada Post enough and it is time it was stopped.

I also want to take a few minutes to put on the record a couple of other conclusions I reached in looking at the operations of Canada Post. These relate to the operations of rural post offices because they make up the bulk of service to the large rural and remote areas in this country.

After having talked to Canadians from coast to coast to coast, there is no question; Canada Post has to halt the closure of rural post offices, the divestment of its property and, as a result, the withdrawal of the presence of Canada Post in rural Canada. There is no way that a post office sign on the side of a convenience store or a gas bar or even an elevator in rural Saskatchewan is a presence in rural Canada.

All too often we have seen a situation where on one street you have the building which used to be the post office standing with windows boarded up and a "for sale" sign on the front door and right next door you have a drugstore with a little wee sign in the corner that says "stamps for sale here". That is not the presence the federal government or Canada Post should have in rural Canada.

These matters can be addressed in many ways by this government. Bill C-73 is taking us in completely the opposite direction that Canadians would have us go. Find a way to return by contract, good wages and job security to the people who work for Canada Post and provide a service to Canadians from coast to coast to coast and we will have a country where we have good postal service and a public that will respond appropriately. The government that is held accountable for that action would be held in a lot better repute than it is today.

Ms. Ethel Blondin-Andrew (Western Arctic): Madam Speaker, this Canada Post bill is very important for all Canadians. My hon. colleague has raised issues which I think are pertinent and important for all Canadians. Canada Post touches everyone. Every person in Canada who writes a letter, for instance, is going to be affected by the move to pay for redirected mail.

It is totally unforgivable and totally unacceptable in a time of high unemployment and a time when people have to be mobile to seek employment elsewhere that they have to be punished. In fact, I see this move of having to pay the additional 43 cents for a stamp for people who are out looking for jobs elsewhere as another tax on the poor and on the unemployed.

I would like to ask the hon. member who spoke this. How does he believe the government can justify such a move when, I believe, Canada Post is one of the Crown corporations that is doing very well? In fact, I have heard this mentioned numerous times in different debates and different speeches made by ministers of the Crown, as well as members of Parliament and the public at large who have concerns regarding Canada Post.

• (1035)

How can it justify this move and other moves that it has made while there are still reams of people who are not getting the proper service and when it is able to turn over a profit, when it is able to have revenues? How can it justify a move like that to pay for redirected mail when this Crown corporation is reputed to be doing so well? Why is it being so greedy? Why is it mismanaging those revenues so that it again has to tax and punish the unemployed and the poor of this country?

Mr. Taylor: Madam Speaker, I very much appreciate the question. The issue that the member raised concerning redirected mail is one that has been bothering me since I first heard about it on February 17.

As my friend from Chambly mentioned, it is a matter that punishes Canadians in a way that no government should even attempt. Forty-three cents does not sound like much. The government and Canada Post—I do not think we should distinguish between the two as they are virtually one and the same when we look at the bottom line—are asking a simple thing of Canadians, they think: If people get a letter that is not theirs and they have to drop it back in the mailbox with another address on it then they must put a new stamp on it.

That does not sound unreasonable except when we consider that people may not want to send the letter on. They do not want to walk down to the post office and buy that 43-cent stamp for this person who they might not even know. That letter may end up in a person's mailbox and it might contain a letter from Revenue Canada that says the recipient of the letter is supposed to pay some big bill or get stiffed with further penalties from the government. It might be a letter advising of a refund, or it might be a letter advising of the passing of a relative and the notice of the reading of the will and the estate. There could be any number of important things that go beyond the simple 43 cents.

It is not just a matter of somebody trying to rip off the system, and this is another case in which the victim is being blamed by this government, that there may be people who try to take advantage of the situation by moving and asking their relatives to readdress their mail for them rather than paying the fee for redirecting their mail. It goes much beyond this situation.

The member's question was: How can I justify this? I cannot and I will not justify what this government is trying to do on this matter which I do not agree with at all.

In trying to justify this the minister responsible for Canada Post the day after, February 18, said in this House that it was justified because it could save millions of dollars within the corporation. When the corporation is expecting to earn a profit of $130 million or more this year, this is not the time for the corporation to be looking at trying to increase those millions of dollars, especially when the mandate of the corporation is quite simply to provide a service and provide self-sufficiency, which in my book means breaking even. If it collects the same amount of money that it spends then that is the bottom line. If it makes money over and above that then it has gone beyond the line.

Ask the employees of Air Canada who purchased shares in their corporation what they think about employee share offerings. The employees of Air Canada today are seeing that the shares they purchased are down in the dumps.

If this government continues to operate Canada Post the way it is operating it the employees who do take an opportunity and a chance to purchase the shares in their corporation will regret it some time down the line.

• (1040)

Canada Post will continue to operate after this share offering, after this act is put in place and the share offering is made, without any employee involvement in policy decision making in any case.

This act will do nothing to enhance employer-labour relations or to provide better service for Canadians. Therefore one can only conclude that since the act will not do what the government says it will do, it will do something else, and that is simply the beginning of the end of the post office as a public corporation. It is the privatization of Canada Post.

Mr. Phillip Edmonston (Chambly): Madam Speaker, I would like to ask my hon. colleague one question but first I have a very short preamble.

I am not surprised by what is happening at Canada Post when we consider that the former president of Chrysler Canada was put into Canada Post and if we consider what he did to Chrysler Canada. I remember when working as a consumer advocate that during the tenure of this gentleman as president of Chrysler Canada we had some of the worst warranty claim experiences with Chrysler that we ever had over a ten-year period.

When we take a look at what this gentleman is doing as head of Canada Post, actually punishing Canadians because of misdirected mail, I can only come to the conclusion that this is only going be an incentive for mistakes to be made. It is a disincentive for Canada Post to improve the way it directs mail.

In the final analysis Canadians will be paying for the mistakes of Canada Post. If Canadians want to direct misdirected mail to the right place and put it back into the system then they will have to pay. They will be penalized 43 cents. Where is the incentive?

My question to my colleague is: Where is the incentive for Canada Post to improve service to Canadians if it realizes that every time it makes a mistake with misdirected mail, and it is already making many millions of dollars in surplus right now, it is going to make the passive receiver of that misdirected mail, that mistake, pay for Canada Post's mistake. Where is the justice in that? Where is the incentive for Canada Post to direct mail to the correct address in the first place?

Mr. Taylor: Madam Speaker, I appreciate the lack of time. What the hon. member for Chambly points out is a very important part of the future of Canada Post and its service to Canadians.

We have to find a way to ensure that the good work the employees of Canada Post are already doing, which is being hindered by technology and harassment in the work place and other things and is affecting the way in which mail is being delivered at the moment, continues.

I want to strongly support those employees who are working at Canada Post today. They are struggling against very difficult circumstances in the work place and a management that is doing its best to ensure that the work that is being done on the floor is not being respected because of the policy decisions that are being taken that in fact lead to the problems out there on the street and in the local mailboxes.

When we have good contracts and job security then the public will fully recognize the good work that is being done by the people who work for Canada Post.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Madam Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Madam Deputy Speaker: Call in the members.

• (1045)

And the division bells having rung:

Madam Deputy Speaker: Pursuant to Standing Order 45(5)(a), I have been requested by the chief government Whip to defer the vote until a later time.

[*Translation*]

Accordingly, pursuant to Standing Order 45(6), the recorded division on the question now before the House stands deferred until the ordinary time of daily adjournment on Monday, when the bells to call in the members will be sounded for not more than 15 minutes.

* * *

[*English*]

SASKATCHEWAN TREATY LAND ENTITLEMENT ACT

MEASURE TO ENACT

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development) moved that Bill C-104, an act respecting an agreement regarding treaty land entitlement in Saskatchewan entered into on September 22, 1992 among Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Saskatchewan and the Keeseekoose, Muskowekwan, Ochapowace, Okanese, Piapot, Star Blanket, Yellowquill, Beardy's & Okemasis, Flying Dust, Little Pine, Moosomin, Mosquito Grizzly Bear's Head, Muskeg Lake, One Arrow, Pelican Lake, Red Pheasant, Saulteaux, Sweetgrass, Thunderchild, Witchekan Lake, Canoe Lake and English River bands, and respecting an agreement regarding treaty land entitlement in Saskatchewan entered into on September 23, 1992 among Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Saskatchewan and the Nekaneet band, be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Madam Speaker, it gives me great pleasure to rise today to address the House on Bill C-104, the Saskatchewan treaty land entitlement act.

This bill will provide for the implementation of two historic agreements signed on September 22 and September 23, 1992. The first is the Saskatchewan treaty land entitlement framework agreement and the second is the Nekaneet treaty land entitlement settlement agreement.

Together these agreements will bring to an end more than 100 years of uncertainty, frustration and missed opportunities for 27 First Nations bands in the province of Saskatchewan. The legislation before the House today is technical in nature. It essentially provides a legislative framework for implementing certain elements of the treaty land entitlement agreements.

However the historic, social and economic significance of Bill C-104 must not be underestimated. I want to use my time today to put that significance in a proper perspective.

This is truly a major achievement for the Governments of Canada and Saskatchewan but it is most important for the 27 remaining bands in the province of Saskatchewan which have had the shortfall in their treaty land entitlement validated and accepted by the two governments but never fulfilled. It now falls to us, through this legislation, to complete those undertakings made in solemn treaties many decades ago.

Hon. members may recall that more than two years ago, on September 24, 1990, the Prime Minister stood in this House and outlined an ambitious program to create a new relationship between aboriginal and non-aboriginal Canadians. A principal element of this native agenda was a commitment to accelerate the settlement of specific and comprehensive land claims and treaty land entitlements.

Over the past 24 months remarkable progress has been made toward achieving this important goal. Among other things, this government has introduced a new initiative to ensure that specific claims are dealt with more quickly and equitably.

The results speak for themselves. Dozens of specific claims have now been settled using the new process and many more are being actively negotiated. Under that initiative the government proceeded to establish a specific claims commission to provide, independent of the prerogatives of the government, of my department and the Department of Justice, a means of independently reviewing specific claims under an independent commission to determine if all measures of fairness were being applied.

• (1050)

Progress has been equally exciting on the comprehensive claims front. In November of last year the Inuit of the central and eastern Arctic region voted in favour of ratifying their settlement agreement, the Nunavut land claim agreement, which will be, upon passage by this House, the largest land claim settlement in Canadian history.

As well, the Governments of Canada and British Columbia and the First Nations summit chiefs, comprising most of the chiefs of First Nations in the province of British Columbia, have agreed to establish a British Columbia treaty commission to facilitate the settlement of some 20 comprehensive claims in that province, to enter into treaties which probably should have been negotiated and settled over a century ago in that province.

The Prime Minister of Canada, the premier of the province and aboriginal leaders on September 21 last year signed an historic agreement at the Squamish Indian Nation to initiate the treaty commission. Within days the members of that treaty commission will be named by the governments and First Nation leadership.

Today this House has the opportunity and, in my mind, the obligation to take action on a third very distinctive kind of land claim described as treaty land entitlement. In simplicity, this means living up to the promises that were made when the numbered treaties were signed many decades ago.

By supporting Bill C-104 we will provide long overdue justice to the 27 Saskatchewan First Nations which have been denied land that was promised to them in those numbered treaties in the late 19th century and early part of this century.

To put this issue in perspective I think it is important for hon. members to be aware of the historical record. Between 1871 and 1910 Canada sent treaty parties across the west to negotiate a series of treaties with First Nations in the prairie provinces, the so-called numbered treaties. Among other things, these treaties provided for the establishment of reserves for the various bands which were surrendering their aboriginal title to the vast lands that were wanted for settlement and for the development of a new nation.

The size of each reserve was determined according to a very simple formula; by multiplying the band population at the time the reserve was surveyed by either 32 or 128 acres, depending on the treaty. The later treaties granted one square mile or one section of land for every family of five persons which amounted to 128 acres per person.

While the majority of bands in those times received their full land entitlement when they signed the treaty, about 60 First Nations across the prairies did not receive their full entitlement. There were a number of reasons for this. Around the turn of the century many bands in the prairies still followed a nomadic way of life. They did not have year-round, permanently located communities or village sites. The concept of settling in permanent villages was alien to them. Some bands postponed a dramatic change in lifestyle to settle down and perhaps to live a lifestyle more of our concept, but this was alien to many of them. In some cases these bands took several decades to find a location and to lay claim to particular pieces of land on the prairies.

When these bands did decide to choose their lands, it was inevitable that some individuals were missed during the band population count. It was also apparent that the population of these bands had changed in many cases and had increased significantly from the populations of those earlier days when the treaties were signed. It is worth noting, therefore, that bands did not always select all the land that was due to them. However, in more recent decades another problem developed. It appeared that much land had been deeded and developed, particularly after the passage of the National Resource Transfer Act, and deeded to other interests. It has become a major difficulty that First Nations have not been able to share in the development of those vast Crown lands of the prairies.

• (1055)

In recent years successive federal governments have endeavoured from time to time to add new parcels of land to the original reserves of entitlement bands. Unfortunately, these efforts have achieved only limited success and it has been a rather *ad hoc* process, not producing a great deal of satisfaction to the respective First Nations. The end result is that today we can confirm that at least 27 bands in Saskatchewan alone have not received all the land promised to them under the various treaties, a situation that is no longer tolerable and that this bill proceeds to correct.

The government has tackled the treaty land entitlement issue with a renewed commitment and vigour. Although the matter appears to be simple on the surface, it is in fact an extremely complex and difficult issue that has repercussions not only for the governments and First Nations people, but for non-aboriginal residents of Saskatchewan, whether they be farmers or city dwellers, in terms of the changes that will evolve from this agreement.

In recognition of these complexities and of the need to address the entitlement issues once and for all, my immediate predecessor took the action to establish an office of Treaty Commissioner for Saskatchewan in June 1989. The idea was to insert into this confused and unsatisfactory situation an independent commissioner, the former mayor of the city of Saskatoon, Commissioner Cliff Wright. An office was established and he was appointed to work in consultation with the Federation of Saskatchewan Indian Nations and the two governments, federal and provincial, to find a solution to this problem.

The agreements that were signed in September, which I spoke of in my opening remarks, are a direct product of the excellent work of Commissioner Cliff Wright. Also, I want to pay a very important and generous compliment to the Federation of Saskatchewan Indian Nations, in particular to Chief Roland Crowe, who headed up and pursued the successful resolution of this problem for several years and to his senior officers and officials, Vice-Chief Dan Bellegarde, Lester Henry and others. The FSIN played a fundamentally important role on behalf of the 27 entitlement nations in bringing us to this historic moment.

Treaty Commissioner Cliff Wright came to my office in Ottawa in May 1990, not long after he had received his mandate and presented a comprehensive and analytical report, in fact a formula for solving the treaty land entitlement problem in the province of Saskatchewan. He did this after extensive consultations with Indian people, interested parties and residents of the province.

• (1100)

We will not have the opportunity in the House today to examine the genius of his proposal. I could say that in a rather creative way he was able to account for the shortfall of something in excess of one million acres, approaching a million and a half acres of land, to establish a value for those lands and, in agreement with the Federation of Saskatchewan Indian Nations, moneys would be paid out appropriate to the value of those lands and to account for the increase in population and the appropriate equity that must be realized in dealing with the modern day populations of those communities, while maintaining fairness with other First Nations which had accepted their treaty land entitlement generations ago.

This was a horrendous and challenging task but it was one very well done and I want again to compliment the commissioner for his leadership there.

That led to a prolonged period of negotiation with the former government of the province of Saskatchewan under Premier Devine's leadership, leading to an agreement which was signed in September 1991 for cost sharing the cost of settling this treaty land entitlement matter.

The reason for Saskatchewan's involvement is quite clear. Since 1930 Saskatchewan has had an obligation under the natural resources transfer agreement to provide to Canada lands adequate to fulfil treaty land entitlement obligations and to provide for expanding aboriginal populations in terms of the reserve requirements.

We were able to negotiate with the previous Government of Saskatchewan a cost-sharing agreement whereby Saskatchewan would provide 49 per cent of the cost of purchasing lands which would be purchased by funds put in a special account, a special treaty land acquisition account, and those lands would be purchased by the respective bands to be held in trust on their behalf in perpetuity; 51 per cent of the funding to be provided by the federal government and 49 per cent by the province of Saskatchewan.

It took several more months to conclude the framework agreement which is attached as schedule II to Bill C-104. The framework agreement deals with a wide range of issues which I will take a few moments to elaborate upon. This framework agreement was finally concluded during the summer of 1992 and signed. I think it was a very rewarding and emotional moment for the 26 treaty land entitlement bands which participated in the signing ceremony at the Wanuskewin Heritage Park just north of Saskatoon on September 22, 1992.

At that ceremony the Prime Minister, Premier Romanow of Saskatchewan, Chief Roland Crowe and several hundred witnesses and representatives of the entitlement bands participated in the signing ceremony upon which this legislation and this agreement is based.

I should indicate that Bill C-104 encompasses a second specific agreement entered into with the Nekaneet First Nation which preceded in its negotiation the framework agreement which was signed and concluded one day after the framework signing.

Included in these agreements are undertakings by the Government of Canada and Saskatchewan to provide close to $500 million over the next 12 years to resolve the treaty land entitlement issue.

The agreements allow First Nations to acquire land as soon as possible. The federal government has agreed to accelerate its payments to add additional amounts or value to the payments in the first two years in order to allow early purchase of lands which the entitlement bands will select.

As well the agreement provides for some $50 million to be paid in the form of funding, a revolving fund to rural municipalities and school divisions to compensate them for the loss of tax revenue as a result of treaty land entitlement settlements. This means that when new lands are added to reserves and services are provided by the First Nations within that expanded land base there will be less requirement to draw services from local school districts or local rural municipalities for road maintenance, hospital, library, the provision of schooling and other kinds of services. As those services are withdrawn it would represent a capital cost to municipalities and school districts that is being offset by a special compensation fund contained in this agreement.

• (1105)

In order for the federal government to satisfy a number of undertakings it made in the treaty land entitlement agreements certain legislative authorities and clarifications are needed. That is the purpose of Bill C-104. I want to outline some of those authorities and clarifications today.

Over the next few years hundreds of real estate transactions are expected to occur in Saskatchewan as a direct result of these two agreements. In due course the lands purchased by entitlement bands will be transferred to the federal Crown as those parcels are purchased, to be held in trust pending the creation of new reserves or extensions to existing reserves. The bands will have the complete freedom to select land either from existing Crown reserves or through the private purchase of lands to expand their reserves in this way.

While entitlement land is held by the Crown revenues accruing to the band as a result of leases, royalty agreements or other contracts will be collected by the federal government on behalf of each band. For example, there may be oil or gas leases, potash, uranium and other minerals being extracted, or timber rights. Any third party interests or activities which produce revenue will result in a payment of royalties or revenues that will be collected by the federal government on behalf of each band.

Bill C-104 authorizes the Government of Canada to transfer these revenues to the entitlement bands, something that is not provided for under the Indian Act as it presently exists. The earnings of these funds can be transferred through a special means set out within the Consolidated Revenue Fund so that these funds will be managed in trust by the federal government but paid to the respective bands.

Bill C-104 will authorize the federal government as well to collect and transfer to Saskatchewan mineral revenue payments for certain entitlement lands where the province has an interest in the mineral rights. The government has undertaken to do this so that bands will not have to repay mineral revenues to the province in the form of royalties in order to obtain all subsurface rights to land before it can be transferred to the Crown.

Bill C-104 will also permit a surrender to take place before entitlement lands are transferred to reserve status. Generally entitlement lands must be free and clear of all existing third party interests before they will be accepted by the government for reserve creation. However, if there are third party interests, for example small parcels owned by private parties, and if the entitlement band in each case agreed with the Minister of Indian Affairs and Northern Development that established third party interests should prevail and be protected, they could agree to protect those third party interests through a lawful surrender by the First Nation of interest in that third party right within the area of the entitlement lands. This legislation provides means of securing that surrender in a way other than that provided within the Indian Act.

Another objective of Bill C-104 is to release the province of Saskatchewan from its obligation, the one I spoke of earlier, to provide unoccupied provincial Crown land to the federal government for the creation of reserves. As I said this is a constitutional obligation contained within the natural resources transfer agreement of 1930. As a consequential element of this legislation there will be an amendment to the natural resources transfer agreement.

• (1110)

Bill C-104 will also establish a legislative basis for the co-management agreements that are contemplated between entitlement bands in the province of Saskatchewan and the Saskatchewan Water Corporation. Saskatchewan wanted to ensure that its ability to manage bodies of water, rivers, reservoirs, et cetera, and its authority to manage those waters would not be fettered by way of those waters coming within the boundaries of entitlement lands that would be added to reserve holdings.

Entitlement bands by way of this agreement will also be able to enter into binding agreements with urban and northern municipalities and school divisions on the provision of services. This too is provided for within Bill C-104.

A legislated provision is also required to ensure that moneys paid under the treaty land entitlement agreements are not to be defined as Indian moneys under the terms of the Indian Act because there are very stringent conditions associated with aboriginal communities having access to those funds for their own purposes. The legislative provision with respect to moneys provides a special account to be established to collect the moneys, the proceeds from the settlement under this agreement, and the earnings of those proceeds. This special account will enable the collecting of interest on moneys paid into the treaty land entitlement Saskatchewan fund, to be administered for the benefit of the entitlement bands and in joint consultation with the Federation of Saskatchewan Indian Nations.

Finally, the framework agreement acknowledges there may be other Saskatchewan bands without standing treaty land entitlements. Bill C-104 includes a provision to accommodate these bands, any which may have additional land entitlement accepted and validated, under the provisions of this framework agreement, under the same terms and conditions that applied to the original 27 entitlement bands.

I indicated at the beginning of my remarks that Bill C-104 was an extremely technical piece of legislation. Hon. members can now appreciate what I meant in saying that. I hope I have not confused the House unduly. In endeavouring to understand the legal mechanisms this mechanism will put in place, I urge members not to lose sight of its primary objective which is to continue to address past commitments to the aboriginal people of Canada and to honour them.

Bill C-104 is concrete evidence that this government is committed to living up to its historical and contemporary obligations to First Nations. It is a major step forward in achieving our native agenda commitment to resolving treaty land entitlements.

Hon. members should know that work is also under way on resolving related treaty land entitlements in the provinces of Alberta and Manitoba. We have already settled some five TLE shortfalls in the province of Alberta and we are negotiating another five at the present time. We are commencing negotiations with entitlement bands in the province of Manitoba as well. I am sure that the speedy conclusion of the agreements in the adjacent prairie provinces will be facilitated by the work already done and by the principles set out in this framework agreement with the entitlement bands of Saskatchewan.

For the 27 entitlement bands in Saskatchewan the framework, Nekaneet agreements and this supporting legislation will end decades of uncertainty and enable them to recover what has always been theirs. It will dramatically improve their prospects for self-sufficiency by expanding their reserve land base and providing new opportunities for economic development.

The Government of Saskatchewan will also benefit, as will all the people of Saskatchewan. The treaty land entitlement agreements will end decades of acrimony, create certainty about future land use and provide a significant financial injection into the provincial economy on the scale of a half billion dollars.

• (1115)

Bands are expected to begin almost immediately to purchase land and to inject money into the economy. Once that land has been transferred to reserve status we can be assured that bands will be aggressively pursuing development opportunities. In other words this is a good news scenario for all the players and for all Canadians. As we proceed through the stages of this legislation I urge my hon. colleagues to endorse Bill C-104 so the First Nations of Saskatchewan can build for a more prosperous future.

It was my understanding that this legislation was to be referred to a special legislative committee. However, more recently I gather that talks have been held among the parties and I think Your Honour will find consent to do all stages of Bill C-104 today including referral to Committee of the Whole in order that we might complete consideration of this important legislation in one sitting.

Madam Deputy Speaker: Is there unanimous consent to proceed with all stages of this bill?

Some hon. members: Agreed.

Ms. Ethel Blondin-Andrew (Western Arctic): Madam Speaker, I am happy to speak in the House this morning on Bill C-104, the treaty land entitlement in Saskatchewan.

For over 100 years at least 27 First Nations did not have the full use and benefits of the land stipulated under treaties with Canada. First Nations people referred to this unfulfilled obligation as treaty land entitlement.

On September 22, 1992 a modern day settlement of this historic land debt was reached. This settlement has been secured through the process of mutual discussions and negotiations rather than confrontation. This is the preferred route for many land negotiations.

The purpose of Bill C-104 will help to facilitate the implementation of the Saskatchewan treaty land entitlement framework agreement based on certain undertakings given by the Government of Canada and the province of Saskatchewan during two and a half years of negotiations.

Once legislation is passed—and we have all agreed to go the whole route today on this bill—Bill C-104 will enable 27 First Nations bands in Saskatchewan to begin acquiring land, resources and improvements which Canada undertakes to grant with reserve status. This is badly needed in a time when we are experiencing a major downturn and Saskatchewan is having its fair share of problems. As we know only too well, in economically depressed times we find certain groups at the bottom rung of the economy. Those groups are generally aboriginal peoples, women and children.

This legislation is highly appropriate and much needed. Appropriate provincial legislation is also being drafted to facilitate this process. It is always the struggle of the federal government and the claimants to reach an agreement with provincial and territorial governments on any land resolutions. Most important, this piece of legislation will create a special account or a consolidated revenue fund for both the federal government and the province of Saskatchewan to make payments with interest to the settlement bands. It is estimated that the framework agreement and the accompanying legislation will add approximately $450 million in interest.

I have consulted with the parties who will be affected by Bill C-104. I have written to the treaty land entitlement bands affected by Bill C-104: the Minister of Indian and Métis Affairs, the hon. Robert Mitchell; Lynda Haverstock, the leader of the Liberal Party and MLA from Saskatchewan; the Assembly of First Nations land rights co-ordinator, Mr. Rolland Pangowish; Mr. Harry Laforme of the Indian Claims Commission; and Vice-Chief Dan Bellegarde of the Federation of Saskatchewan Indian Nations. Bill C-104 has and is still being studied by the party. From the responses I have received, I believe there is a strong sense of support for the passage of this bill immediately. In fact the Federation of Saskatchewan Indian Nations is very anxious for this legislation to receive Royal Assent as soon as possible.

• (1120)

However there are concerns. I have received a few questions regarding concern over the taxation of settlement money. In relation to that, it should be known by all First Nations that on March 29 there will be a major conference held on taxation in Ottawa with all of the chiefs across the nation.

In relation to this, the treaty's First Nations in Saskatchewan support Bill C-104 but concern has been raised about possible tax liability of the principal and interest earned on money held in the treaty land entitlement fund and possible tax liability once the money is transferred to the trust accounts of the First Nations.

If First Nations are assessed by Revenue Canada they would have to go through a process of proving that these funds are exempt from taxation pursuant to the framework agreement. We intend to have this question raised in other venues, in fact in the committee that I work in, to determine whether it is possible to include express wording or perhaps a consideration by the minister and his staff to look at the whole issue of taxation, acknowledging that the money appropriated by Parliament pursuant to an agreement to fulfil understanding land treaty entitlement obligations are therefore deemed to be the personal property of the First Nations on reserve pursuant to the Indian Act. This would ensure that the money will not be subject to taxation.

This is a major consideration for all First Nations. Taxation is a major issue that arises in the dealings of all land questions and all of the agreements, be they specific or comprehensive or treaty land entitlements. Taxation is a major issue that comes to the forefront in that it has a great deal of impact on what happens to the revenues that are accrued from any kind of activities that the bands and the various reserves of First Nations undertake with the compensation money they receive from the government under these claims.

The second issue is on riparian rights. To date we have not heard any concerns about the provisions in the framework of agreement whereby the First Nations in certain circumstances waived their riparian rights to try to prevent a provincial water project.

Section 7 of Bill C-104 confirms the riparian rights provision of the framework agreement. It is our understanding that the bands will retain their common law riparian rights to water bodies adjacent to a reserve to ensure that water quality and quantity are maintained.

However the bands will not be able to assert their riparian rights to stop a provincial water project as long as the band has been given six months' notice and is allowed to participate in the decision to approve the project.

The most that the band can sue for is damages. It cannot use the courts to try and stop the project. If any bands have concerns about the riparian rights provision of the framework agreement which is confirmed by Bill C-104, these will have to be taken up with the Minister of Indian Affairs and Northern Development or senior staff so assigned.

At this time I would like to extend my personal congratulations and best wishes on behalf of my Liberal colleagues to all of the treaty land entitlement bands. In particular I believe that when you undergo a process to engage in negotiations which are sometimes very difficult, there is the opportunity for much conflict and confrontation.

There is also an opportunity for co-operation and diplomacy. Bearing those words in mind it brings to mind the leadership that is required to undertake these negotiations to come to a resolution as we have today and for the speedy passage of Bill C-104, the treaty land entitlements act.

I would like to say that there are individuals who have expressed leadership and negotiating skills. In particular I would like to congratulate Chief Roland Crowe of the FSIN and all of the chiefs of the entitlement bands who have made a tremendous effort to achieve this historical agreement.

• (1125)

It is truly historic that these people, because of their ability to negotiate, their ability to set goals for their people within the framework of this country and within the boundaries of Saskatchewan, have managed to come up with a plan of action that they feel will work for their people. They are to be congratulated. In a sense it not only sets a political precedent, a legal precedent, it also sets an example for the citizenry of Canada that aboriginal people, given the opportunity, can show the ingenuity to come forward with the goals and the plans that work best for them.

They identify the goals. These are the options they prefer and these are the ones they have advanced, so I would like to congratulate them.

In doing that, it is always so important to recognize that behind Chief Roland Crowe we have a number of chiefs, 27 in particular. Since it is such an historical event that I would like to take the time to reflect on some of these bands and their chiefs. In the true treaty making process and in the fulfilment of those outstanding obligations or debts I would like to say that it has always been known that the chiefs get the front seats and that they should be named.

We have from Muskowekwan, Chief Albert Pinacie; from Ochapowace, Chief Denton George; from Nekaneet, Chief Gordon Oakes; from Okanese, Chief Marie-Anne Day Walker; from Cowessess, Chief Terrance Lavalee; from Keeseekoose, Chief Albert Musqua; from Piapot, Chief Arthur Kaiswatum; from Starblanket, Chief Irvin Starblanket; from One Arrow, Chief Richard John; from Beardy's & Okenasis, Chief Richard Gamble; from Pelican Lake, Chief Edward Bill; from Witchekan Lake, Chief Mike Fineday; from Muskeg Lake, Chief Harry Lafond; from Peter Ballantyne, Chief Ronald Michel; and, from Yellowquill, Chief Hank Neapetung.

The are the individuals who have been involved. We also have Chief Louis George from English River; Chief Joseph Waskewitch from Onion Lake; Chief Gabriel Gopher from Saulteaux; Chief Richard Gladue from Flying Dust; Chief Johnson Kakum from Little Pine; Chief Clarence Louis from Moosomin; Chief Blaine Favel from Poundmaker; Chief Edward Standinghorn from Sweetgrass; Chief J. Guy Larivière from Canoe Lake; Chief Clarence Stone from Mosquito Grizzly Bears Head; Chief Michael Baptiste, Red Pheasant; and, Chief Winston Weekusk from Thunderchild Band.

These are all of the chiefs that have been involved along with Chief Roland Crowe. I would like to congratulate them. They will have to forgive me because Cree and some of the other aboriginal languages from Saskatchewan are not my first language. I have attempted to do justice by naming all of the chiefs. I would like to congratulate them once again. I approve going through all readings of the bill for speedy passage.

• (1130)

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, it is a pleasure to be able to speak on Bill C-104, an act respecting an agreement regarding treaty land entitlements in Saskatchewan. There is no question that this is a matter that is long overdue for consideration by this House and by the people of Canada.

It is a great credit to all of those who have been involved in this process that we have achieved the conclusion we are seeing today. Before I begin my remarks, I want to indicate that there are unresolved issues remaining which will require the continued concentration of this government and the people of Canada with the aboriginal people in our province to adequately resolve issues, some of which I will discuss shortly.

Essentially what we have here today is an approval of a process which ratifies a tripartite framework agreement involving the Government of Canada, the government of the province of Saskatchewan and Indian bands in the province in Saskatchewan. It provides the basis for individual negotiations designed to fulfil outstanding constitutional obligations to provide treaty land.

The bill ratifies the federal-provincial First Nation's framework agreement which will be followed by individual negotiations and agreements to take place in the near future.

I stress that it is important for everyone to recognize that this is a negotiated agreement that will be ratified by referendum process by the bands themselves. It is a process that I very much agree with and as a non-Indian person I find most acceptable in reaching agreement on a matter of such significance.

As a result I am very happy today to be able to say that we also want to see the speedy passage of this legislation because it allows us to put behind us one part of an ongoing and difficult matter and process and carry on with the significant other matters which must be dealt with.

I recognize through my involvement with this process for quite some time that there are conflicting interests throughout the aboriginal community as well as through the non-aboriginal community which must be discussed in response to all the matters which are in front of us today.

The bands in Saskatchewan have played a very important role in the process leading to the conclusion of the agreement. The bands in Saskatchewan have worked long and hard, and have sat down to discuss with the province of Saskatchewan and with the Government of Canada through some difficult times and reached an agreement. They are now dealing with members of their own bands again through some difficult times. But they will reach agreement. It is important for members of this House today to recognize that this is a negotiated process which we are concluding today.

As a member of Parliament from Saskatchewan representing a large rural constituency, I have had a very important interest in this matter since my election in 1988. I have discussed this entire agreement with a number of the chiefs in my own constituency. I have attended a number of the meetings in which the Federation of Saskatchewan Indian Nations has discussed this at open forums.

• (1135)

I have recognized the significant contribution of each of those who have participated in this process. Of the 27 bands referred to in the land entitlement process, the majority reside on reserves in my constituency: Canoe Lake Band, Chief Guy Lariviere; Flying Dust Band, Chief Richard Gladue; Joseph Bighead Band, Chief Ernest Sundown; Little Pine Band, Chief Johnson Kakum; Moosomin Band, now Chief Clarence Louis; Muskeg Lake Band, Chief Harry Lafond; Pelican Lake Band, Chief Edward Bill; Saulteaux Band, Chief Gabriel Gopher; Thunderchild Band, now Chief Winston Weekusk; Witchekan Lake Band, Chief Mike Fineday; Mosquito/Grizzly Bear's Head/Lean Man Band, now Chief Clarence Stone; Onion Lake Band, Chief Joe Waskewitch; Red Pheasant Band, Chief Mike Baptiste. These are all bands within my federal constituency. These are bands that have actively participated throughout this process and have done a tremendous service to their people and to the people of Saskatchewan.

We will recall, as the minister of Indian affairs noted in his remarks, that the framework agreement was signed on September 22, 1992 by the premier of Saskatchewan, the Prime Minister of Canada and the chiefs of the entitlement bands at a ceremony at Wanuskewin Heritage Park, north of Saskatoon. I attended it as a member of the audience. It was a very proud moment for all the chiefs in attendance.

The agreement makes funding available from Saskatchewan and the federal government to the entitlement bands to assist them in the purchase of private and Crown lands to fulfil the outstanding treaty land entitlements.

Just to review this for all present in the House and for those who are watching, five treaties were signed by Canada with Saskatchewan Indian bands between 1874 and 1906. The bands were promised reserve land based on their population. In 1992, when the framework agreement was signed, 27 bands in the province still had not received all the land owed to them under the treaties. The entitlement framework agreement provides the way to rectify this situation.

I must stress once again that this has been a long time in coming. In 1976 the then New Democratic Party government led by Allan Blakeney reached a conclusion that now forms the basis of the agreement that has been reached by the bands, the province of Saskatchewan and the Government of Canada today. The 1976 formula was the basis on which Treaty Commissioner Cliff Wright established the final package.

Under the framework agreement that we are dealing with the bands can purchase a minimum of 421,000 acres and are eligible to buy up to a maximum of 1.693 million acres for reserve status. All land purchases will be on a willing seller–willing buyer basis.

Bands are able to purchase private lands as well as federal and provincial Crown lands. Before the sale of Crown land the interest in the land of any occupants or other third parties must be satisfactorily addressed. In the case of private land, third party interests must be suitably dealt with as a part of the purchase and reserve creation process.

This is part of the agreement because the Indian people throughout Saskatchewan have recognized very clearly that there are other people currently utilizing the land base they have claimed. They want to ensure that there is a continuation of the good rapport of people who share the land in that particular area. Indian and non–Indian people alike will be living and working together in the same areas.

• (1140)

The framework agreement provides bands with approximately $450 million, spread over 12 years, to purchase the land. Once a band's minimum reserve acreage is obtained any remaining money can be used for other band purposes.

Many of the bands are currently examining economic development avenues, which will lead to better utilization of the land and the return of additional revenues for use by the aboriginal people themselves for purposes that are very important to the development and continuation of those aboriginal communities.

The minister mentioned it but I thought I should as well and that is: Why is Saskatchewan a party to this agreement? Why do we single out Saskatchewan in this case and not all Indian people?

In 1930 the federal government transferred the bulk of the Crown land and resources in Saskatchewan to the Saskatchewan government. The federal government was aware at that time that more land might be required in the future to supply the number of reserve acres promised in the treaties.

The natural resources transfer agreement of 1930, which transferred the Crown land to Saskatchewan, enables Canada to request the province to provide unoccupied Crown land to fulfil outstanding treaty land entitlements. This is the basis for the Government of Saskatchewan's involvement in the treaty land entitlement process at this time.

Past efforts to settle treaty land entitlement with Crown land alone have met with only limited success. Most Crown land has interests of various types associated with it. Without funding to provide compensation it has been difficult to satisfy the interest holders on Crown land. This was a matter that Treaty Commissioner Wright tried to address, and addressed quite well.

The treaty land entitlement framework agreement provides a new and more promising approach that will work to all parties' advantage. Bands will have more choice in the land they acquire and will have the option of purchasing private land from parties that want to sell.

Entitlement bands will now perhaps be able to obtain more productive land than they have in the past and as a result can possibly become more economically self-sufficient in the future.

Certain categories of provincial Crown land, such as parks, heritage properties, highways and ecological reserves, are only available for purchase under this agreement under very exceptional circumstances. Other categories of Crown land will generally be available for purchase, with the sale decision depending on specific circumstances.

One of the important parts of this whole process is that bands can buy private land that is for sale anywhere in the province just as any other purchaser could.

Crown land in urban areas, as elsewhere in Saskatchewan, may also be available to bands for purchase. Therefore we can see that urban land, economic development land, and industrial land is eligible for purchase under these agreements. The establishment of urban aboriginal industrial economic communities is most viable under this process.

When lands gain reserve status, and this is important to all the rural municipalities in Saskatchewan, it is no longer subject to municipal or school taxation. Recognizing this fact the governments have agreed to compensate for this tax loss in the rural areas. Two $25 million compensation funds have been established, one for rural municipality tax loss and one for school division tax loss.

The rural municipality fund will be administered by the Saskatchewan Association of Rural Municipalities. The school division fund will be administered by the Saskatchewan department of education in consultation with the Saskatchewan School Trustees Association. They are moves that both groups have accepted and agreed will provide for their interests.

After signing or adhering to the framework agreement a band must also conclude a specific agreement, a trust agreement, with Canada before receiving funding for the land purchases.

• (1145)

The length of time taken to conclude these may vary from band to band but the process need not be long. Depending on how quickly these agreements can be finalized, many of the bands will be in the marketplace quickly. We have to recognize that a number of bands have already taken these steps and are currently in the marketplace.

One of the problems inherent in this process is the resources available to the bands to ensure that members of each reserve, of each band, are adequately informed about what is in the agreement. Many of the chiefs and the councillors involved in this process from the very beginning understood this agreement inside and out and can quote it chapter and verse. Many of the ordinary people living on the reserves have not been part of the process. They have questions. They are sceptical about what it means for their future and about what it means for the future of their children. They are trying to find a way to get as much information as possible.

The entitlement process requires a referendum of band members before any of the bands can finalize and reach individual agreements. The framework agreement understands that this is important and has agreed to provide reasonable funds for the holding of public meetings and the contacting of band members, some of whom may not live on the reserve but have chosen to live in an urban centre at some distance from the reserve.

The government has agreed to provide reasonable funds to ensure this referendum process is carried out and the people are adequately informed. I have been informed by a number of chiefs involved in the process that the government's interpretation of what reasonable means is different from what is actually necessary to get the message out to these bands.

I urge the government today in my remarks on this important bill to interpret the section about reasonable costs more liberally than it has been doing and to ensure that the flexibility exists for the chief and the council who understand their band membership better than anyone in Ottawa possibly could to interpret the adequate resources required to ensure the referendum process is carried out by a knowledgeable membership. I ask the Minister of Indian Affair and Northern Development to take this back, discuss it with his officials, and ensure that the chiefs and councils have the adequate resources they need to conduct a fair and knowledgeable referendum on each of their reserves.

We are asked a question about the treaty land entitlement framework agreement settling all land claims in the province of Saskatchewan. We all recognize this is not the end of the process. Treaty land entitlement is land that a band is owed under the terms of the treaties but which has not yet been received. Some bands have other claims with a different legal basis. These other specific claims often arise because reserve land was improperly taken away by the federal government in the past. Specific claims by some of the bands have recently been settled by the federal government, but there are other specific claims outstanding. Those specific claims will be advanced by the bands for negotiation and the government has made clear that it will negotiate on these specific claims issues.

What we have here is simply a framework agreement to provide the basis for the settlement of outstanding entitlements on these 27 bands stemming from the treaties. Specific claims are not being addressed by this particular bill.

The framework agreement costs are shared by the federal and provincial governments with the framework agreement requiring the province of Saskatchewan to cost share land purchase money and purchase money for minerals and to honour payments, for example the reductions in the 1976 formula and the municipal school tax loss compensation. The funding, as I understand it at the moment, is shared 30 per cent provincially and 70 per cent federally. Canada and Saskatchewan have agreed that the province will experience savings as we move along and that Saskatchewan will eventually reimburse Canada an additional amount up to perhaps 19 per cent of the agreement cost based on actual savings over 15 years following the signing of the framework agreement. I am told that Saskatchewan's total cost to be paid out over 12 years is projected to be about $247 million.

• (1150)

This is an important matter that I could spend a tremendous amount of time speaking about. I simply want to thank the House for the opportunity to say a few words on this legislation and I look forward to the conclusion of this important process.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Before I read this motion I should first apologize to all the bands whose names I am sure to mispronounce. I will attempt to do my best.

An hon. member: Could we dispense?

Madam Deputy Speaker: Yes, we could dispense, but I think it is important for all to know that they are part of this bill.

Mr. Siddon, seconded by Mr. Loiselle, moved:

That Bill C-104, an act respecting an agreement regarding treaty land entitlement in Saskatchewan entered into on September 22, 1992 among Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Saskatchewan and the Keeseekoose, Muskowekwan, Ochapowance, Okanese, Piapot, Star Blanket, Yellowquill, Beardy's & Okemasis, Flying Dust, Little Pine, Moosomin, Mosquito Grizzly Bear's Head, Muskeg Lake, One Arrow, Pelican Lake, Red Pheasant, Saulteaux, Sweetgrass, Thunderchild, Witchekan Lake, Canoe Lake and English River bands, and respecting an agreement regarding treaty land entitlement in Saskatchewan entered into on September 23, 1992 among Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Saskatchewan and the Nekaneet band, be read the second time and, by unanimous consent, referred to Committee of the Whole.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mrs. Champagne in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-104, an act respecting an agreement regarding treaty land entitlement in Saskatchewan entered into on September 22, 1992 among Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Saskatchewan and the Keeseekoose, Muskowekwan, Ochapowance, Okanese, Piapot, Star Blanket, Yellowquill, Beardy's & Okemasis, Flying Dust, Little Pine, Moosomin, Mosquito Grizzly Bear's Head, Muskeg Lake, One Arrow, Pelican Lake, Red Pheasant, Saulteaux, Sweetgrass, Thunderchild, Witchekan Lake, Canoe Lake and English River bands, and respecting an agreement regarding treaty land entitlement in Saskatchewan entered into on September 23, 1992 among Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Saskatchewan and the Nekaneet band.

On Clause 2—*Definitions*

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Chairman, I want to express my appreciation to all members for bringing Bill C-104 quickly to this stage. I also want to give notice that we will be proposing minor technical amendments to five clauses of the bill that have been totally endorsed by the Federation of Saskatchewan Indian Nations on behalf of the entitlement bands and the province of Saskatchewan. As I say they are technical and not substantive amendments. They have been prediscussed with and approved by the opposition parties.

As well there are minor but important corrections to the French translation of the schedules. In schedule II and schedule III of the bill there will be four amendments to the French translation to improve the accuracy of the translation which was not available at the time the schedules were originally signed with the original treaty land entitlements agreement. With that, I hope we can proceed smoothly. I will introduce these amendments clause by clause as they arise.

• (1155)

Hon. William Rompkey (Labrador): Madam Chairman, I wonder if I might just ask the minister some questions. It is so seldom we get the land claims issue before the House of Commons that I want to be able to use this opportunity.

I congratulate all parties involved in the process for bringing the measure before the House today. It is an important step forward for the aboriginal people of Saskatchewan. I congratulate them and the two levels of government on the comprehensive agreement that has been reached and the important measure before the House. I want to say in that context that this is a very important issue, one of the most important issues in the country. That is why I want to take a few minutes to reflect on it.

We have before us a measure on behalf of the aboriginal people of Saskatchewan. The minister may be able to confirm this point, but there are something like 600 land claims across the country, all of which are in various stages of being addressed at this time. There is a limited budget on the part of the Government of Canada. Obviously there is a process to be followed. There is an order of precedence. There is a long list of people.

First, how does the minister intend after today to set up a process whereby we can see a speedy resolution of the rest of the land claims across the country?

It is important we are taking this measure today. It is very important for the people of Saskatchewan and they should be congratulated. However there are many other instances across the country where land claims are pressing issues.

We talked in the House of Commons yesterday about the rampant symptoms of alcoholism, substance abuse, sexual abuse and child abuse. We have heard of those symptoms and we deplore them. We carry our own responsibility on both sides of the House that this sort of thing is happening. It underscores the importance of speeding up the land claims process.

Second, would the minister take some time to reflect on how he intends to do that and what process he intends to use to speed up the settlement of land claims across the country?

I also want to ask him a supplementary question and in so doing read to him a news account of what happened in St. John's, Newfoundland, within the past two days. As he knows, the news report I have before me says that at a news conference on Tuesday at the Hotel Newfoundland, Labrador Inuit Association President William Andersen III presented Premier Clyde Wells with a thick black binder containing what he said he hoped was the future of the Inuit in Labrador. Federal officials were absent from the ceremony. The article says that the federal government pulled out of the land claims process in June 1992 when it was unable to reach an agreement with the province on sharing the cost of any settlement reached.

Now that we have the Labrador Inuit land claims on track, now that we have a preliminary proposal on paper, not a total proposal but a preliminary proposal on paper, now that there is a time track agreed to for a response from the province within three months, and now that there is the undertaking to speedily resolve this particular land claim, does the minister see his way clear to overcoming whatever obstacles were there in the past between the two governments to study this document carefully, to consider it carefully in a comprehensive way, in dialogue with the province and with the Inuit of northern Labrador? Does he think it is possible for all three parties, without preconditions, to go back to the table to study and consult in a serious way with a view to resolving this land claim as quickly as possible?

• (1200)

The other supplementary question I should like to ask him, because it is a pressing issue too, concerns the land claim of the Innu nation in Labrador and in Quebec as well. I do not have to mention it to the minister. He knows as well as I do and as well as all members of the House and all Canadians do the serious and tragic events that took place recently in Davis Inlet.

As I said in the House yesterday, now that the camera has moved away from Davis Inlet and has focused on other places, it is important that we not forget our responsibilities to that particular community, but we have to see that in the context of a settlement of land claims.

I know this is not completely on topic, but I think the people of Canada, the House and you, Madam Chairman, understand it is so seldom we have the opportunity to put these serious and important questions that I wanted to take the opportunity to do so today.

Mr. Siddon: Madam Chairman, I say to my hon. colleague that I appreciate the questions. While we do hope to conclude consideration of this piece of legislation today, and I am sure there is other pressing House business, I certainly welcome the opportunity to take a few minutes to respond to his questions.

First, on the question of moving more quickly toward the settlement of land claims I would like to suggest that is a commitment I have taken very seriously in the last three years as minister. Shortly after my appointment I had the privilege of concluding and initialling an umbrella final agreement with the Council of Yukon Indians, of initialling the Dene–Métis final settlement agreement in the western Arctic within a week, and within a month, on April 30, 1990, of having signed the agreement in principle with the Tungavik Federation of Nunavut which will lead to the ultimate conclusion of the land claim agreement of the Inuit of eastern Arctic.

The Prime Minister gave a speech in the House on September 24, 1990 as part of a comprehensive set of accelerated initiatives on behalf of Canada's aboriginal people. He said that we would give high priority to moving land claims to completion and that both in the area of specific claims and comprehensive claims we would hope to achieve major progress, if not to settle all those claims by the end of the decade, by the turn of the century.

It is important to realize that in the area of land claims there are three categories. The first one is those areas where we made treaty commitments and did not keep them. Today's bill is an example of fulfilling that commitment in Saskatchewan to treaty land allocations that were promised in those early numbered treaties across the prairies.

I indicated in my remarks at second reading that in the provinces of Manitoba and Alberta we were also trying to emulate the process that led to this framework agreement embodied in today's legislation, although it would take a somewhat different form in Manitoba and Alberta. I also indicated that we had already concluded treaty land entitlement agreements with five Alberta First Nations and that we were negotiating with another five. I believe we have in the last three years made more progress on treaty land entitlement than has been made in this entire century in fulfilling those commitments.

Second is the area of a large number of claims called specific claims. The hon. member for The Battlefords—Meadow Lake indicated that specific claims were areas wherein certain legal commitments were made or were thought to have been made by bands at some point in the past and never honoured. A specific claim deals with a particular parcel of land and a particular decision-making process at some time in the past which led to an undertaking, usually in writing, supported and recognized by the band council, usually through a band council resolution wherein it was argued that we did not live up to that commitment.

• (1205)

It had been a sad truth that our budget of $15 million a year had not allowed us to move rapidly in the settlement of specific claims. As a result of the new initiative, the budget for a specific claim settlement was increased from $15 million to approximately $75 million a year, a quintupling, a fivefold increase in funding.

Whereas we had been able to settle only two or three claims a year prior to 1991, in the first year with the increased funding and by certain technical measures which allow us to fast track the settlement of specific claims, in the most recent year we have now settled between 25 and 30 specific claims across Canada.

With specific claims there is also often a dispute as to whether we have a legal obligation or a lawful obligation or not. Perhaps the Department of Justice says the federal government does not have an obligation, that it is not a legitimate specific claim. First Nations have often been very frustrated because they believe there is a claim.

The traditional position of government was to say take us to court because the Department of Justice believes we will win in court. We have now created a separate commission under the provisions for commissions of inquiry called a Specific Claims Commission, chaired by Mr. Harry Laforme, the chief commissioner, and six other commissioners. It is dealing with these myriad of specific claims across the country where the claimant, the First Nation, believes we have unfairly rejected its claim. We have great hope that the Specific Claims Commission will produce further justice on behalf of those First Nations when they do not feel the Department of Justice is doing justice to their claim.

The third area we call comprehensive claims. Comprehensive claims arise in a territory where the jurisdiction has never been ceded or surrendered or determined by way of a treaty between a population of First Nations people who believe that it was always their traditional territory and the federal and provincial governments that established a legal regime and developed and dispersed land under land titles processed without regard for the aboriginal title or aboriginal interest in those lands.

The major number of remaining comprehensive claims are to be found in British Columbia where we have at least 28 and perhaps more separate comprehensive claims where there were no treaties. There are other cases with the Labrador Inuit and the Innu of Labrador where there were not treaties. In the province of Ontario there is one comprehensive claim which we have agreed to negotiate with the Golden Lake Algonquin people who in fact claim a good part of eastern Ontario under their comprehensive claim.

We have agreed to no longer limit the number of comprehensive claims to five at any one time, which was an earlier policy, and to facilitate as rapidly as we can all of the comprehensive claims in parallel within the financial limitations of Parliament's capacity to settle, but to facilitate negotiations in good faith and not stall people because of the artificial barriers of inadequate financial resources or other legal arguments which may in the past have been convenient ways of delaying the process.

In response to the first question of the hon. member for Labrador I want to say that we are sincerely committed to accelerating claims in all three categories.

With respect to the two Labrador claims—and I will focus on the one with the Labrador Inuit in particular—we have been engaged in a process of setting the stage for negotiations going back to at least 1989 and perhaps earlier in the case of the Labrador Inuit Association. I was able to travel to Nain in Labrador and sign a framework agreement, I believe in November 1990, which set the stage for negotiating what was then called the agreement in principle. Our policy is that when we are going to negotiate an agreement in principle we have to know that the provincial government, within whose jurisdiction this claim is to be settled, must be a partner in those negotiations. To be a partner we have to know what its role and responsibility is going to be and how it intends to share in all of the elements of settlement—dollars, land, mineral rights, timber rights, water resources, et cetera.

• (1210)

It is not fair to sit down at the table with a First Nation such as the Labrador Inuit Association and go through the process of trying to negotiate a land claim settlement if the province is not a committed partner. We need commitments of the jurisdictions the province is prepared to cede, the land it is prepared to make available and the financial burden that it is prepared to bear.

In our policy we require a cost-sharing agreement before we get into the agreement in principle stage. The agreement in principle negotiation encompasses the global magnitude of the land claim settlement, how much land, how many mineral rights, how many dollars.

We told the province of Newfoundland and Labrador that we needed a cost-sharing agreement but we agreed to take 18 more months, until June 1992, to achieve it. I am sorry to say that we have not made the kind of progress we should have made because the province of Newfoundland and Labrador has not been prepared to quantify what it will accept as its role, its responsibility and its share of the financial and material burden of settlement.

It is not correct to suggest that the federal government has not tried to advance the Labrador Inuit claim, nor the claim that we have agreed to negotiate with the Innu Nation, which I accepted I believe a year and a half ago. In both cases we need to have a clear statement of the commitment of the province of Newfoundland and Labrador toward its share of the obligation to settle. It will have to cede jurisdiction in certain areas, and particularly if we get into discussing self-government in the context of the claim, it will have to give up land rights and forestry rights and water rights, et cetera.

That is the reason why we have not been able to move to the next stage of concluding agreements in principle with the Innu Nation or the Labrador Inuit Association. I commend the LIA for the proposal it presented to the province a week ago in St. John's because it shows its recognition that the province, the premier and the government of Newfoundland and Labrador have to be at the table and to participate. We will review that proposal very thoroughly. We are prepared to continue negotiations but there has to be a clear understanding of the role and responsibility and the degree of commitment from the provincial government.

Mr. Rompkey: Madam Chairman—

The Chairman: I will recognize the hon. member. I do have to remind the hon. member and the minister that getting into the very important question of Labrador takes us somewhat outside the scope of the bill in front of the House right now.

I will recognize the hon. member from the New Democratic Party and I will come back to the member.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Chairman, I do appreciate that ruling very much. In the limited time we have available there are some important matters specific to this bill that should be addressed.

I have a couple of questions. I will put one and hopefully I can be recognized again on another question.

I am interested in knowing specifically about some of the negotiations that the minister may be involved in concerning the trusts. I am told that under this bill the department and the bands are actively engaged in trying to settle a Revenue Canada issue related to the trusts. I wonder if the minister could tell us where this matter is now.

Mr. Siddon: If I am correct in anticipating the substance of the member's question, Madam Chair, it has to do with whether the earnings of the trust will be subject to taxation.

Let me say first of all that there is a schedule of payments associated with this agreement whereby the individual bands which complete band specific agreements will receive payments over the next 12 years. There will be a larger payment in the initial two years because the federal government has essentially doubled its payment in those first two years.

• (1215)

Those payments will be deposited to the Consolidated Revenue Fund in a special treaty land entitlement fund that Treasury Board has agreed to create so that it will not be subject to the usual conditions that apply to Indian or aboriginal trusts.

In this fund there will be a number of drawers which will hold money each year until there is a band specific agreement and the band is ready to draw out of the Consolidated Revenue Fund the payments due to them.

Those payments, while they are being held in this special fund within the CRF, will capture interest according to the usual Treasury Board formula. The question is, when they are drawn out, will the earnings on those funds be subject to taxation? I am advised that the provisions of this legislation are such that they are neutral on that question because it is presently before the Department of Finance and national aboriginal leadership as it pertains to all aboriginal trust accounts.

From one perspective I am sure First Nations would argue that if that money is earned on reserve as a result of the investment of the assets of the reserve, then it should not be subject to taxation. If it is earned off reserve, the policy of the government is that it is not then subject to immunity from taxation. That matter has to be resolved. It will be resolved on a level beyond this particular agreement but the agreement in no way precludes a determination that it not be subject to taxation. I cannot speak for the Minister of Finance in that matter. Is that an adequate explanation?

Mr. Taylor: Yes, Madam Chairman, and I thank the minister.

My subsequent question is one that I raised in my remarks at second reading and relates to the adequacy of resources for the referendum process.

As I indicated in my remarks, the bands must hold a referendum to ratify the terms of the agreement. The agreement allows for reasonable costs to be covered. A number of the chiefs have indicated to me that the department's interpretation of reasonable costs is actually inadequate to meet the needs of informing their membership; some of the band membership live some distance from the reserve but also have a stake in the settlement of this agreement and are included in the referendum process.

I wonder if the minister can tell me if the department is considering allowing for flexibility in this reasonable cost element, ensuring that there are adequate resources available for the conducting of the referendum.

Mr. Siddon: Madam Chairman, the department over the last three years that I have been associated with this process has attempted on every occasion to provide adequate funding for the necessary research on the public information process. Any time that Chief Roland Crowe of the FSIN sat down and said he needed some assistance for some aspect of ensuring the bands are fully informed and committed to this process, I tried to be as helpful as I could.

It is a credit to the Federation of Saskatchewan Indian Nations that it provided a co-ordination of all the bands so that it could collectively bring us to this day where we can I think finally see a solution to this problem.

In that process I am told the FSIN has discussed with the various claimant bands a means of preparing each band for the referendum which is required in order to ratify its band specific agreement.

I understand there were negotiations and a formula was established whereby funding would be made available for this process on a formula basis, which I am told at least the majority of the Saskatchewan First Nations claimant bands agreed to, and that $2.5 million has been set aside for this purpose. Individual bands then will be able to draw their share, I would say, of approximately $100,000. If the funds were not adequate or there was the need for some flexibility, as I said at the outset, I would like to try to be flexible but we also have to respect the role of the FSIN in co-ordinating this process. That can be pursued further through it and directly with the individual bands.

• (1220)

Mr. Taylor: Madam Chairman, if I could indulge for one more moment. As I indicated in the preface to my remarks earlier and also at second reading, I talked about this being the important conclusion of a process but said that there are other matters that have to be dealt with.

The FSIN and the individual bands, on the settlement of the land entitlement agreement here, will be turning their attention to matters such as that addressed in the recent standing committee report on housing about the inadequacy of housing on reserves. I am wondering if the minister and his department, on the successful conclusion of this agreement, will begin to turn their attention toward dealing with matters relating to the unanimous report of the standing committee on housing and address some of these other major concerns on reserves.

Mr. Siddon: In danger of getting into a prolonged response as I did with the hon. member for Labrador, I would say that the hon. member should be assured that it is not a matter of turning our attention from one important issue to another. Somehow I am expected to maintain my commitment and concern for a large number of files all at the same time.

The question of the adequacy of our housing program has been extensively reviewed over the last three years. Funds have been constrained, as the hon. member knows. This year I was able to ensure that the funding for aboriginal housing was not reduced, but it has not yet been increased.

As a result of consultations with First Nations' leadership, focused through the AFN in particular, and many discussions with bands and regional organizations we have developed a housing policy proposal, I and my colleague the minister responsible for Canada Mortgage and Housing Corporation. We trust it will involve adequate funding, significant additional funding, but also elements to ensure that housing will last on Indian reserves.

There will be more training, more responsibility for the financing, maintenance and upgrading of housing, and planning of the housing requirements of individual First Nations. I hope to be able to bring these initiatives forward in the next couple of months. I am certainly hoping that we can have a new housing policy before the end of June. That is a priority with me.

The Chairman: As we are on clause 2 I would like to put to the House the amendments which the minister has brought to this clause.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development) moved:

That clause 2 of Bill C-104 be amended

(a) by striking out line 19 on page 2 and substituting the following:

"September 22, 1992, pursuant to which Canada's outstanding treaty land entitlement obligations are to be fulfilled in respect of those bands that are parties to that Agreement, certain provisions of"

(b) by striking out line 26 on page 2 and substituting the following:

"1992, pursuant to which Canada's outstanding treaty land entitlement obligations are fulfilled in respect of the Nekaneet band, certain provisions of which are set"

Ms. Ethel Blondin-Andrew (Western Arctic): Madam Chairman, this is a prime opportunity to be specific and true to the claimants who are dealing with this treaty land entitlement. In doing so I think there is a broader picture and the minister has the expertise to deal with these questions.

First of all, we know that on September 22, 1992 federal, provincial and Indian representatives signed the treaty land entitlement framework agreement. This is a very specific and defined process, geared only for full and final settlements. It makes everything so much easier, or so it should. The down side in the bigger picture is that—not specific to this, this is the bright side I would say—this agreement also represents significant progress on only one of at least last nine different kinds of claims in Saskatchewan, numbering at last count 105 individual claims.

• (1225)

Given that outstanding treaty land entitlement has now been dealt with, the question then becomes which of the remaining eight categories of claims is our next priority and how do we deal with it. To answer that question it is necessary to review the history of claims in Saskatchewan and to survey the current Saskatchewan Indian environment.

However, before talking history and environment let us review the nine different kinds of claims. I would like to ask the minister, once I list those nine claims, what his next priority is. First, I will just list them and not go into the details because, as the minister will know, one of the opportunities we have as members of Parliament and they have as ministers of the Crown is to enlighten Canada on the specificity of these very complicated claims, be they specific or comprehensive. The basis on which land questions come about is so interesting and so complex that we take the opportunity to inform people.

Having said that, I will list the different kinds of claims: first, the outstanding treaty land entitlement; second, the outstanding supplementary treaty land entitlements; third, invalid treaty land surrenders and expropriations; fourth, invalid supplementary treaty land surrenders and expropriations; fifth, misappropriated treaty territory resources; sixth, unfulfilled terms of treaty, and this is the grand-daddy of them all because it includes on a regional and national scale claims related to the government's unwillingness to live up to rights and guarantees concerning self-government, education, health, and taxation; seventh, fraudulent and unlawful acts; eighth, intrusions on to sacred territories; and ninth, unpunished criminal acts.

I do not know how many instances of the last category there are or are likely to be but one that immediately comes to mind because it is so specific and so graphic is the 1873 massacre involving the Carry the Kettle Band. Another one is the 1885 point-blank shooting of a blind elderly Cree at the Steele Narrows, and yet another involves several cases in which smallpox and other infectious diseases were deliberately spread throughout a band or group of bands. Since these incidents involve very serious charges it is important that we not just come out and clearly judge these cases, but rather report that they do exist and are out there in the minds of Saskatchewan people.

Having covered environment and history, I would like to ask the minister: We have covered one very successfully, this particular TLE. I would like to know which of the other eight is a priority and where most of the resources and the effort would go.

Mr. Siddon: Madam Chair, first of all in regard to the first amendment that the Chair has put before the House I should indicate that this amendment, and I do not know that the question bears directly upon the amendment, was put forth and requested by the Federation of Saskatchewan Indian Nations because it adds language which ties the settlement agreement, the TLE legislation, more closely to what the Saskatchewan First Nations believe to be our treaty obligations. It wanted that clearly specified. I trust this amendment will be approved without further discussion.

With regard to the question about which priority I would give to the various categories of claims the hon. member has listed, without diminishing the importance of any of those issues I think this initiative has had to be a priority of this government, as it has been of previous governments. I am very pleased at the co-operation we are getting as we move toward concluding this matter.

It in no way reduces the importance I attach to all of the issues that might be considered under the classification that the hon. member has listed. I do not know where that comes from and if she wants to give me the document she is reading from I would like to take a look at it. I am told it is not a classification that exists within the Department of Indian Affairs.

We categorize claims as unfulfilled treaty obligations, which we are dealing with today, comprehensive claims, on which there were no previous treaties or any negotiations with a particular First Nation, and specific claims.

• (1230)

Specific claims can encompass a broad range of grievances such as those that have been listed under the nine categories that were given. In each case, if there is a lawful obligation which can be argued to the satisfaction of the Department of Justice as a default, malfeasance or error on the part of past governments or this government then we will accept that as a specific claim without ranking it as to priority and we will fund the research and prepare for negotiation of a settlement of that claim.

If the government, on the advice of our Crown legal adviser, says there is no provable lawful obligation then the remedy is normally through the courts. For First Nations that are not satisfied with going to the courts, which entails considerable cost, we have created a specific claims commission for external recourse to an impartial third body to give the government advice as to whether we are getting valid advice from the Department of Justice.

I would respond in that way and indicate to the hon. member that when specific matters arise in the province of Saskatchewan or elsewhere which I can deal with, and which are often brought to my attention, I try to move forward as quickly as I can.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 3 agreed to.

On clause 4—*Account to be established*

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development) moved:

That clause 4 of Bill C-104 be amended by striking out lines 4 to 14 on page 3 and substituting the following:

"(a) credited to the Treaty Land Entitlement (Saskatchewan) Fund the balance remaining of all amounts that were paid into the Consolidated Revenue Fund, prior to the coming into force of this act, as contributions by Her Majesty in right of Saskatchewan pursuant to section 3.07 of the Framework Agreement, together with any interest credited to those amounts by Her Majesty in right of Canada pursuant to subsection 3.07(c) of that agreement;

(b) paid into the Consolidated Revenue Fund and credited to the Treaty Land Entitlement (Saskatchewan) Fund all amounts that are contributed, after the coming into the force of this act, by Her Majesty in right of Saskatchewan pursuant to section 3.07 of the Framework Agreement; and

(c) credited to the Treaty Land Entitle-"

He said: Madam Chair, this is a technical amendment to allow for the correct establishment of a sub-fund, the Treaty Land Entitlement Fund, within the Consolidated Revenue Fund. It is something that Treasury Board has requested and that has been discussed and agreed to by the other parties, the FSIN and the Government of Saskatchewan. It is purely technical so I trust that members will support it.

Ms. Ethel Blondin-Andrew (Western Arctic): Madam Chairman, I would not want to miss the opportunity to once again bring up the issue of treaty exemption. Maybe I can ask the minister why there was no consideration given to looking at some kind of mechanism for recognizing treaty land entitlement obligations and I quote: "moneys appropriated by Parliament pursuant to an agreement to fulfil outstanding treaty land entitlement obligations and are, therefore, deemed to be personal property of First Nations on reserve, pursuant to the Indian Act". This would have ensured that moneys would not have been subject to taxation. Why was an appropriate additional amendment not sought in this area or this particular amendment not further fortified to give maximum economic or financial leverage to FSIN and other First Nations of Saskatchewan involved in this TLE so they could benefit from it?

• (1235)

I support the amendment but I wish we could have found a way to do that.

Mr. Siddon: I am told, Madam Chair, that the first amendment to clause 2, which the FSIN requested, which was to clearly tie this agreement to our treaty obligations, was the comfort it needed to accept the language of this agreement insofar as the handling and treatment of funds deposited to the special treaty land entitlement fund were concerned.

I indicated in an earlier response that the bill is purposely neutral on a question which has much larger implications. I stand corrected. It is not the Department of Finance but Revenue Canada which is engaged in a major national discussion which will lead to a decision about the tax treatment of trust accounts and their earnings. It was not felt necessary to pre-empt that or create a precedent for a decision in this agreement by the First Nations of Saskatchewan. They understand this is a difficult issue which will be resolved in due course.

Ms. Blondin-Andrew: Perhaps it should be considered by First Nations that Revenue Canada, with its policy move to change the *status quo* of tax exemption for First Nations, is essentially putting a stranglehold and a very limiting factor on land questions that are to be resolved in terms of what happens to the money First Nations receive in full payment from consolidated revenue. Perhaps it is more a comment than a question. Perhaps that should be in the minds of all people who go for a specific or comprehensive land claim. They should note that Revenue Canada is essentially putting a restriction on exactly what the maximization of these funds would be by not allowing for the exemption to be maintained.

Amendment agreed to.

Clause, as amended, agreed to.

On Clause 5—*Amounts not Indian moneys*

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development) moved:

That Clause 5 of Bill C-103 be amended by striking out line 38 on page 3 and substituting the following:

wan) Fund pursuant to the framework agreement; and

Amendment agreed to.

Clause, as amended, agreed to.

Clauses 6 to 10 inclusive agreed to.

On Clause 11—*Application of Act to Indian bands that have not signed the Framework Agreement*

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development) moved:

That Clause 11 of Bill C-104 be amended (a) by striking out lines 35 and 36 on page 5 and substituting the following:

Canada Gazette confirming that this Act applies to

(b) by striking out lines 38 to 42 on page 5.

• (1240)

He said: Amendment 2 was requested by the province of Saskatchewan and does not have any substantive effect on the recognition of future claims by other entitlement bands.

Amendment agreed to.

as amended, agreed to.

The Chairman: When we get to the schedule, as hon. members can see, the department has presented some amendments to schedules I, II and III. Beauchesne's tells us that when a bill is introduced, to give effect to an agreement or confirm a scheme, the text of which is contained in a schedule to the bill as an independent origin and status of which is described in the introductory provision of the bill, amendments cannot be made to the schedule.

If members look very closely at what the amendments do propose, it is really a technical amendment in the translation. It was really an error of translation and not a change in the schedule itself which is why we have agreed to make those changes.

In schedule I, the amendment has the effect of adding the date only.

Shall the amendment carry?

Some hon. members: Agreed.

Amendment agreed to.

The Chairman: Shall schedule I carry?

Some hon. members: Agreed.

Schedule I, as amended, agreed to.

The Chairman: Shall schedule II, as amended, carry?

Some hon. members: Agreed.

Schedule II, as amended, agreed to.

The Chairman: Shall schedule III, as amended, carry?

Some hon. members: Agreed.

Schedule III, as amended, agreed to.

Mr. Siddon: Madam Chairman, just for further clarification, the amendments to the French language text were there for accuracy in terms of assuring consistency between the two versions. I presume we have carried them as well with the schedules.

Clause 1 agreed to.

Title agreed to.

Bill agreed to.

• (1245)

Bill reported.

Mr. Siddon moved that the bill, as amended, be concurred in.

Motion agreed to.

Madam Deputy Speaker: When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Siddon moved that the bill be read the third time and passed.

He said: Madam Speaker, I will not proceed to read the title of the bill again to name and compliment each of the individual entitlement bands that have helped bring us to this historic day.

I just want to thank members of the House, particularly the critics of the opposition parties, for facilitating the swift passage of this very important piece of legislation.

It is a very complex matter designed for accountants and lawyers, but it has very significant meaning to the thousands of members of the 26 entitlement bands who will benefit from this legislation.

I compliment the treaty commissioner, Mr. Cliff Wright, the chief of the Federation of Saskatchewan Indian Nations, the premier of the province of Saskatchewan, all those who worked for the various jurisdictions who are parties to this agreement and I thank you, Madam Speaker, for facilitating the passage of this legislation.

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I have just a few words in conclusion on this important bill.

It has been brought to my attention that despite the fact that I had the list in front of me, I inadvertently missed naming two of the chiefs who have been important to the conclusion of this process and reside within the boundaries of the constituency I represent. Chief Wayne Standinghorn from the Sweetgrass band and Chief Blaine Favel from the Poundmaker band have also been very active chiefs with their councils in the development of this process.

It has also occurred to me that because this process has been a long one, there are numerous individuals who have represented their band members, either as councillors or chiefs through this process, who are no longer directly associated with their councils.

Some chiefs have chosen not to run in new elections. Some members of council have chosen not to run, or have been asked by their respective bands to have a bit of a holiday as it is sometimes referred to in this place.

I want to pay my respects to those chiefs and council members who are no longer currently serving their bands in elective capacities but have played significant roles in bringing their bands and band memberships into this process. Their contributions are as great as any of those who are still in office.

At the same time I do want to indicate that I am aware there are conflicts within some of the bands. I am aware some of the bands are anxious to resolve other significant issues such as housing, which I mentioned earlier. I am very anxious to see that issue resolved and I commit myself to work with the bands, chiefs, councils and band members to help resolve some of these outstanding issues in the weeks, months and perhaps years to come.

• (1250)

Taxation is a major issue that I am personally committed to. A tremendous amount of work has been done in the past that has been allowed to drift somewhat with regard to aboriginal people living on reserve with disabilities. These people face challenges that many of us will never be able to fully understand or appreciate. We must meet the needs of the physically challenged who live on reserve and commit resources that will be of greater assistance to them.

I am pleased that this process has concluded here today and I thank the minister and members of the House for all the work they have contributed to the process.

Ms. Ethel Blondin-Andrew (Western Arctic): Madam Speaker, it has been my pleasure to work on the passage of this important piece of legislation, Bill C-104. There is a clear indication of a commitment to land resources and jurisdiction. To me those three elements are fundamental to people becoming self-determining. They are the foundation for self-government. I just want to congratulate all those people and wish them the best in their future endeavours.

Madam Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

Mr. Taylor: Point of order, Madam Speaker. I wonder if it would be in the interest of the House to call it one o'clock and begin the debate on Bill C-103 immediately following Question Period.

Madam Deputy Speaker: The House has heard the suggestion by the hon. member.

Is there consent to call it one o'clock?

Mr. Reid: Madam Speaker, I think we are prepared to call it one o'clock. I think the bill that has been passed this morning is very important. I think Bill C-103 will pass with somewhat the same sense of decency and urgency. We are intending to refer it to committee, so I think the intent is that each party will have one speaker and we will go on so we can move into orders of the day.

I am more than happy to agree.

Madam Deputy Speaker: It being one o'clock p.m. I do now leave the Chair until two o'clock this afternoon, pursuant to Standing Order 24(2).

The House took recess at 12.53 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

LLOYD EISLER AND ISABELLE BRASSEUR

Mr. Murray Cardiff (Huron—Bruce): Mr. Speaker, on behalf of the people of Huron—Bruce and Saint-Jean and all Canadians, my colleague, the member for Saint-Jean, and I would like to convey our best wishes and congratulations to Lloyd Eisler, from Seaforth, Ontario, and Isabelle Brasseur, from St. Jean-sur-Richelieu, Quebec, on their winning performance in pairs figure skating at the World Championships in Prague.

After seven years as a team they have proven to be the best in the world at their sport. Their sense of accomplishment is matched by the pride Canadians feel for the world class excellence they both have achieved. They have demonstrated the spirit and determination that characterizes all Canadian athletes.

I ask my colleagues in the House of Commons to join us in congratulating these two great Canadians on winning the gold medal.

Some hon. members: Hear, hear.

* * *

FORESTRY

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, it was more than one year ago that I rose in this House and asked the Minister of Employment and Immigration what action this government intended to take *vis-à-vis* the crisis in the forestry industry, and specifically the situation in my riding of Restigouche—Chaleur.

[*Translation*]

In response to this crisis, a number of committees were formed to examine the problems facing the forestry sector. Although the committees have done valuable work, the Atholville mill is still closed and the Dalhousie mill is operating only two of its four machines. The study has now been going on for more than a year, but thousands of people are still looking for work and are fed up with the federal government's failure to act.

[*English*]

I call upon the government to stop running from its responsibilities. The local committees, the provincial government, the municipalities and the laid-off workers have all done their part in addressing this crisis. It is time for the federal government to live up to its responsibilities and to act on this urgent matter.

* * *

NATIONAL SOCIAL WORK WEEK

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, this March the Canadian Association of Social Workers celebrated the third annual National Social Work Week.

Social work is a proud profession with a long history of commitment to improving the well-being of people in society, particularly the disadvantaged. Today social workers are involved in direct practice, teaching, policy analysis and research as well as community organization, planning and program administration. They may work directly with individuals, groups and communities, or on their behalf through research, social policy and planning.

The 13,500 members of the Canadian Association of Social Workers should be recognized for their contribution to the betterment of society. We wish them every success in the celebration of National Social Work Week.

* * *

REFUGEES

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, on Monday, International Women's Day, the minister granted landing to Ferdousi Bhuyian, a 28-year old battered wife from Bangladesh. She was one of 14 women for whom NAC is pleading that this government allow them to remain in Canada.

Now three women from Eritrea, living in London, are subject to removal to the United States, one on Friday, tomorrow. They are all pleading for Canada's mercy.

There is no guarantee that the United States will not send these women, and all such people, back to Eritrea or whatever country forces them to leave.

I call on the minister to review the cases of the 13 women presented by NAC and the cases of Ms. Tebletz Bahlebi-Tedia, Ms. Simret and Ms. Seghid under the new guidelines announced by the IRB on March 9 so as to consider allowing all these women to remain in Canada on humanitarian and compassionate grounds.

• (1405)

I also call on him to immediately place a moratorium on removal of rejected refugee women claimants to the U.S. or other countries so as to review all pending cases in the same way.

* * *

CHILD SEXUAL ABUSE

Mr. Stan Wilbee (Delta): Mr. Speaker, the Conservative family caucus has recently concluded a study on child sexual abuse and has made 11 significant recommendations to the government.

Some of these recommendations are: first, to establish a national child abuse register to enable screening of those seeking paid or volunteer positions of responsibility for children; second, to amend existing dangerous offenders provisions in the Criminal Code for anyone convicted of sexual offences against children; third, to amend the Criminal Code to include the depiction of children in a sexual manner in the definition of obscene and to create a separate indictable offence with greater penalties for the distribution of obscene material to children; and fourth, to amend the Criminal Records Act to prohibit pardons for those convicted of sexual offences involving children.

The committee also recommends the prohibition of the killer cards, the serial killer board game and similar objects directed at young people.

CANADA POST

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, Canada Post condones advertising 1-900 fantasy phone numbers. Canada Post has authorized delivery of unaddressed postcards advertising female names and phone numbers.

During this age of heightened awareness of sexual exploitation this Canada Post practice is objectionable and offensive. Despite complaints from citizens and postal employees Canada Post maintains that the postcards are not pornographic.

In fact, Canada Post managers suggest that if people think it is objectionable their recourse is to call the sender. Imagine encouraging the use of a 1-900 number, at a cost of $10 per call, to complain.

I implore Canada Post to show some moral judgment and common sense. Let us not sacrifice basic values in the pursuit of profits.

* * *

SMALL BUSINESSES LOANS ACT

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I rise today to support the sweeping changes to the Small Businesses Loans Act, which were passed by the House two weeks ago.

At the legislative committee I pressed for significant improvements to Bill C-99 and a number were made. Others which also surfaced at report stage were the innovative provisions seeking to free up working capital for our small businesses.

Under the bill, retroactive financing of up to 180 days will now be available. The value of an asset for financing will be increased to 100 per cent of the purchase cost. Personal guarantees by borrowers will also be kept at 25 per cent of the loan.

I support these changes to the Small Businesses Loans Act in that they seek to facilitate better access to start-up cash and expansion of capital for our small businesses. At committee, the Canadian Bankers' Association publicly made that commitment.

I have noted the work, enthusiasm and optimism of the Minister of State for Small Businesses about the changes to the SBLA. I will be watching with great interest to see whether the members of our financial community can emulate that enthusiasm and support.

* * *

[*Translation*]

TAXATION OF TOBACCO PRODUCTS

Mr. Louis Plamondon (Richelieu): Mr. Speaker, a number of retailers and distributors in the food business in my riding phoned me last week about the financial problems they are facing as a result of widespread cigarette smuggling.

The Tory government's decision to raise taxes on tobacco products has not only harmed Quebec's economy but has actually created an underground distribution network. What was intended as an incentive to cut back on cigarette consumption, which would reduce the harmful effects on health, has become a nightmare for retailers and many workers in the retail sector. Since January 1991, Quebec has lost 5,900 jobs, and distributors and retailers lost more than $150 million in revenue in 1992. This means that federal and provincial governments have lost about $500 million in revenue and taxes, while there has been an increase in cigarette-related thefts and more money has been spent on helping the unemployed as a result of plant closings.

Considering this disastrous ripple effect, I want to ask the government to review excessive taxation of tobacco products in the next federal budget.

* * *

• (1410)

[*English*]

YOUNG OFFENDERS ACT

Mr. René Soetens (Ontario): Mr. Speaker, last month I had the pleasure of participating in a forum on the Young Offenders Act in my riding. Also participating was a young offender, a youth court judge, a defence attorney, a crown attorney, a police officer and two individuals who work with young offenders in the detention facilities.

This forum was very informative and provided the almost 100 participants with a good opportunity to have a dialogue on the problems and strengths of the Young Offenders Act. We also heard about the resources available to rehabilitate young offenders.

Suggested changes to the Young Offenders Act include: the release of more information about young offenders, reducing the age for which it applies, and adding the option of conditional discharges and suspended sentences.

I want to thank Pat Fowler of Ajax for organizing this very informative forum, Archbishop Dennis O'Connor High School for its facilities, and the many citizens of Ajax for their participation.

* * *

THE ENVIRONMENT

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, in 1988 Du Pont of Canada established a policy to phase out CFC production as soon as possible. Alternative technologies have now been developed and adequate supplies of alternatives to CFCs are available. The CFC phase out and transition to alternatives is well under way around the world. We support all activities that accelerate this transition.

Du Pont of Canada announced last week that it has ceased production of CFCs at its Maitland site in my riding. As the ozone layer over Canada shrunk last week to the lowest levels ever, Canadians everywhere will applaud last week's announcement by Du Pont of Canada to cease production of CFCs at its Maitland site and further concentrate on producing alternative products.

I commend Du Pont of Canada for not only meeting but exceeding the Montreal protocol as it relates to the production of CFCs. The thinning of the ozone layer is one of the major causes of skin cancer. Du Pont of Canada has responded with its latest announcement and I am sure all Canadians wish Du Pont well as it develops alternatives to CFCs.

* * *

THE ECONOMY

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the encouraging news about the economy just keeps rolling in.

Last week I reported 1992's record-breaking exports, totalling over $150 billion. This week the good news is in the retail sales sector with an increase of 3.4 per cent over last year for the month of January. The statistics also indicate a rise in the help wanted index, up 4.5 per cent in February. This is an early indicator of labour demand.

Combined, these numbers indicate a growing consumer confidence which can only mean one thing: more jobs and more opportunities for all Canadians.

* * *

STUDENT LOANS

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the federal government's plans for student aid keep getting worse and worse. Last year it was the introduction of a 3 per cent tax on student loans. Earlier this year it was the elimination of the six-month period of breathing room that students enjoyed after graduation before the interest began accumulating on their debt.

Now to add insult to injury after injury, the government will no longer guarantee student loans. Instead it will pay a 5 per cent risk premium to whatever bank it decides will have a monopoly on those loans. That lucky bank is going to take as little risk as it possibly can. How? It will do so by taking on as few risky students as it can get away with. Who are the risky students? They are the ones who cannot afford an education in the first place, the ones who are already paying the price for 20 per cent youth unemployment in a Tory recession.

These students deserve better. They deserve a student loan system designed to help them get an education and an economy strong enough to ensure that they can pay back what they owe.

Under Clinton the Americans propose doing better. Why can we not?

* * *

POVERTY

Ms. Barbara Greene (Don Valley North): Mr. Speaker, Statistics Canada produces the low income cut-offs which count Canadians falling below an income level at which 58.5 per cent of their income is the average amount all Canadians spend on food, clothing and shelter. Income includes business losses and taxes but excludes loans, savings and in-kind benefits.

These statistics were never intended to be a poverty line and certainly do not tell us which Canadians suffer hardship or whether government income supplementation or job creation programs help the most needy.

• (1415)

If the House of Commons wants to eliminate child poverty by the year 2000 we need achievable goals, not a moving target that gallops off with every step forward we take.

Progressive Conservatives want to take real action to combat child poverty and assure every child in Canada an opportunity to thrive, but not through a scatter-gun approach that misses the target.

* * *

MINISTER OF NATIONAL DEFENCE

Mr. Sergio Marchi (York West): Mr. Speaker, yesterday the lack-lustre coronation campaign almost got off the ground when a declaration speech by the minister of defence was leaked.

Rather than admitting that a member of her team had mischievously leaked the speech, the minister without foundation placed blame on young Liberals, among others. Her accusations are irresponsible. Furthermore, why is the minister who is trying to sell herself as a new and fresh face showing such contempt for the ideals of Canadian youth?

I would remind her that it was not young Liberals who made her flip-flop on aboriginal student funding when she was minister of Indian affairs, nor on gun control when she was Minister of Justice, nor now on the $5.8 billion purchase of helicopters.

Instead of denigrating Canadian youth, why does the minister not accept responsibility for her own actions rather than sounding like her old boss?

The first draft of her infamous speech claimed that she was not a traditional politician. Well, she may have packed halibut and worked on the mayonnaise line. However, today her allegations are not only fishy, but the attempts of her spin doctors to portray her as the northern Clinton are really piling the mayo on just a little too thick for Canadians' taste.

* * *

GASOLINE TAXES

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, last Friday's edition of *The Vancouver Sun* contained a front page article on a Peat Marwick report which studied the costs of different methods of transportation in the greater Vancouver region.

The study concluded that each year, lower mainland motorists are undercharged by $2,600 for the actual costs incurred by their driving activities. The report went on to say that if drivers were held accountable for all costs associated with driving, the price of gas would rise by $1.60 per litre.

I seriously hope the B.C. government will think twice before raising taxes as this report suggests.

As an MP for a riding adjacent to the United States, I also know that increased gas taxes will cause more people to go south to purchase their gas. Once there, they will also do some other shopping. Over the past year, as the Canadian dollar has increased in value and Canadian stores have become more competitive, we have seen a steady decrease in the number of cross-border shoppers.

Additional gasoline taxes in British Columbia would put a stop to the improving cross-border shopping picture and hurt our recovering economy at the same time. I urge the premier and the B.C. New Democrats to think again before taking this short-sighted step.

ORAL QUESTION PERIOD

[*English*]

BUDGET

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Prime Minister.

Last December when the Minister of Finance made his economic statement he promised a budget in the month of February. When 1993 arrived he said that there was to be a budget but not in February, probably in March.

Last week his press secretary said that the Minister of Finance would not run for the leadership of his party because he was extremely busy preparing the budget.

Yesterday we heard there will probably be no budget at all. Will the Prime Minister tell us what is the most important thing: the future of the Conservative Party or jobs for Canadians? We need jobs very badly.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the things we have tried to do in the last eight or nine years is to introduce budgets on a fairly regular cycle. They have been preceded by budgetary consultations with the budget usually presented in the first quarter of the year, or thereabouts.

It is helpful for provincial governments and for others who have to go into the market. We have found that to be quite a helpful national issue.

Because of the referendum, that was slightly changed inasmuch as the government felt it appropriate to bring in a major economic statement on December 2.

The Minister of Finance is presently evaluating the impact of this and is continuing this very day his pre-budget consultations across the country. When the Minister of Finance returns from his consultations he will meet with cabinet and recommend a course of action in regard to a budget or an appropriate economic statement.

• (1420)

I will wait for him to return and listen to his advice. Cabinet will make a decision at the earliest possible moment.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I am happy to hear the point made by the Prime Minister.

However there was another point made yesterday by the Minister of Finance when he said he might not have a budget because there is a Tory convention going on and the candidates do not want to have a budget too close to the leadership convention of the Conservative Party.

I ask the Prime Minister what is important in Canada, the leadership of the Tories or the economy for Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend knows of course that the Minister of Finance did not say what my hon. friend has just ascribed to him. That is a complete distortion of what the Minister of Finance said.

I point out to my hon. friend that the Minister of Finance and his predecessor the Minister for International Trade have brought in policies that have resulted in the interest rates today which are the lowest in 20 years and the inflation rate which is the lowest in 30 years. Economic growth is strong. We will be leading the IMF countries next year. Employment growth will be the highest of the OECD countries.

We want to maintain those policies on behalf of all Canadians. I look forward to the recommendations of the Minister of Finance. My hon. friend can be absolutely certain that his budget and/or his economic statement will contain policies fully consistent with those that have provided such sound economic management for Canada in the past.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I find the Prime Minister's answer quite incredible. It was reported in *The Financial Post* this morning that the minister said he did not want a budget now because of his party's leadership race.

I would therefore like to know from the Prime Minister if we will have a budget at this time, when reports from all over say that the deficit will be even worse than predicted in December and since the Minister of Finance in December categorically promised a budget for February. Will the government keep its word to the Canadian people and tell us what the future holds for the Canadian economy, instead of being preoccupied with the whims of the conservative Party?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in fact, from 1984 to 1991, employment grew at an annual rate of 1.7 per cent, the highest in all the G–7 countries. Inflation is now at 1.5 per cent in Canada, the lowest rate in the last 30 years. Interest rates are at their lowest in 20 years; the growth rate forecast for next year will be the highest of the G–7 countries.

These are economic policies that have brought significant worthwhile results for the country. As we speak, the Minister of Finance is on a pre–budget consultation tour. He will make recommendations to cabinet at the appropriate time. In the near future, the Minister of Finance will be able to advise the House and my friend of his intentions in this area.

But be assured that the policies will be essentially the same as far as the basic principles which have brought the lowest inflation and interest rates in the past 20 years are concerned.

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Prime Minister.

It is most crucial for the Minister of Finance to table a budget as soon as possible. Without a budget the Conservative government is hiding the nation's financial situation.

Would the government prefer to tie the hands of the 1.6 million unemployed people, the thousands on welfare and all those taxpayers in financial difficulty instead of presenting a budget that would show the government's true face and tell Canadians the whole truth?

• (1425)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the truth is that the gross domestic product rose at an annual rate of 3.5 per cent in the fourth quarter. Furthermore, 161,000 full–time jobs have been created since last August, with 35,000 to 57,000 new jobs every month in the last few months. Exports reached the record level of $157.5 billion in 1992, 11 per cent more than in 1991. Deliveries of manufactured goods in the fourth quarter were up 13.2 per cent on average over the third quarter. Productivity rose 1.9 per cent and all this will no doubt be confirmed in a budget or financial statement by the finance minister as soon as possible.

There will be good news, my friend. You lose nothing by waiting. I know that is bad news for the Liberals, but wait, it will do you good.

[*English*]

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Yes, it is a question of credibility, Mr. Speaker. Nobody believes that. Let us have a budget then if he is so sure of himself.

We are now getting the suggestion that we may have an economic statement or we may get a budget, who knows? Last week we were told by the Minister of Finance that he was too busy writing a budget to run for the leadership of the Progressive Conservative Party. This week it does not seem to matter very much to him. He is out there doing something else, apparently working on some budget.

Mr. McDermid: Be careful, he might run.

Some hon. members: Oh, oh.

Mr. Gauthier: Are you going to manage his campaign?

I ask the Prime Minister what has changed? Are these Tories so ashamed of telling Canadians what the budgetary position of the government is, or is it that the Minister of Finance changed his mind? If so, for what did he change his mind?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend makes a good point. Maybe it would be a great and significant day for the nation. I will talk to the Minister of Finance about his idea of bringing forward a budget if on the same day my hon. friend can convince the Leader of the Opposition to tell us and the country where he stands on the GST.

I do not want to be unkind or difficult but they are talking about economic credibility. What could go more to the heart of economic credibility than the Leader of the Opposition finally having the gumption to stand up and tell Canadians once on a major issue what he stands for. Either he is for it or against it.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

We understand that pre-budget consultations are going on in Ottawa today. The Minister of Finance may or may not bring in a budget. He has been quoted as saying to the effect that he would not want to saddle a new Tory leader with a five-year budget. Well, Canadians have been saddled with Tory budgets for the last nine years and it would be wonderful to have a change.

Obviously it would be good news not to have another Conservative budget but I think that Canadians deserve to know what this government's priorities are. That is done through a budget.

I ask the Prime Minister if he is prepared to look at a change of course, to look at relief for the 1.5 million Canadians who are unemployed, to bring in a budget now that will be based on a full employment strategy for Canada. Will he give Canadians that kind of hope?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would be happy to take the views of my hon. friend and convey them to the Minister of Finance who is indeed consulting Canadians in regard to pre-budget possibilities for Canada.

My hon. friend says that it is good news not to have another Conservative budget. She asks for a Conservative budget and then says it is good news not to have one.

I cannot guarantee what the Minister of Finance will say or whether there will be another Mazankowski budget. However, I can guarantee there will not be a Rae budget.

• (1430)

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, a supplementary.

I find that the refuge of the government when it cannot support its own policies is to talk about another government's policies. It would be really interesting to hear the government talk about its own policies for a change. I would suggest that the Prime Minister might have wanted to listen to the second part of my question.

While it would be bad news to get another Conservative budget, the government has the responsibility to tell Canadians what it will do, to speak to the the 3.8 million Canadians who are still on welfare, the 1.5 million Canadians who cannot find work, the 4.2 million Canadians who still live in poverty.

I would like to ask the Prime Minister, is the government going to spend the next three months only concentrating on one job and abandoning the millions of Canadians with no jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course the answer is no. We will continue to work at keeping inflation very low.

We are working at programs that enhance our productivity which has already increased significantly. We are looking at ways to further lower our unit costs which are down by 6.6 per cent compared with the United States. This explains in large part our record exports to the United States and around the world. We are looking at the kinds of policies that create durable jobs in the private sector.

My hon. friend I think perhaps misunderstood what I was saying. She took umbrage at the fact that I appeared to be criticizing NDP policies in Ontario. I was not doing that. I was just agreeing with the auto workers in Oshawa.

Some hon. members: Oh, oh.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it will be the first time that this government ever stood up for labour in this country if the Prime Minister says he stands up for the auto workers. I will say that.

[*Translation*]

Mr. Speaker, this government is no longer acting like a government. It is once again ignoring its responsibility to ordinary Canadians in order to concentrate on the leadership campaign. There are plenty of crisis situations that require immediate action. For instance, 60 per cent of single parent families led by women are living in poverty.

What is the government going to do for these families? Will they have to wait until the government has time to deal with this problem?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my honourable friend raises an extremely important question. All governments have an obligation to look at lasting solutions, despite an international recession that has affected all western economies, including Great Britain, France, and now Germany.

This is being done by creating new job opportunities, keeping inflation in check—which we have done by lowering interest rates—introducing policies for economic reform, opening up new markets for Canada through the free trade agreement with Mexico, and controlling government spending. These are all policies that were opposed by my NDP friend. Perhaps she would consider changing her position and support government policies that have achieved quite impressive results.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister.

I want to say to the Prime Minister that the issue that has been raised today is a serious one. The primary purpose of Parliament is to hold the government responsible and accountable for its economic policy. It is not a joking matter to suggest the government is not sure whether there will or will not be a budget, whether a Conservative leadership convention takes precedence over a budget.

The Prime Minister has said that there has been no suggestion by the Minister of Finance that the budget, the need to stimulate the economy, the need to create jobs, the need to combat poverty is being held secondary to a Conservative leadership convention.

I want to quote the Minister of Finance from today's *Financial Post*: "'Obviously, with the leadership issue, that has to be taken into consideration. There will be a new Prime Minister in June', says Minister of Finance in suggesting he may delay the budget," which is now overdue.

I want to ask the Prime Minister which takes priority, the economy of Canada, creating jobs, combating poverty or playing partisan political games with the lives of Canadians?

• (1435)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend of course knows the answer to that question, as he would in regard to any political party that had the privilege of forming the Government of Canada.

Leadership conventions will go on from time to time but the primary obligation of Parliament, the primary obligation of the Government of Canada is to look after the national interest.

The Minister of Finance is presently meeting with Canadians across the country. I think he is in Winnipeg later today and then in western Canada after a meeting earlier today in Ottawa. The object of the exercise is to pursue policies that keep inflation down around 1.5 per cent, which is the lowest in 30 years, to keep interest rates down, to stimulate economic growth, to encourage the private sector so that new jobs can be created.

This is the foundation on which we have sought to build growing prosperity and this is the foundation on which we will continue to build.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the Minister of Finance said a week ago that he intended to deliver a tough new budget. Those are the minister's words.

The minister said the budget was required because of a shortfall in revenue projections. The minister also said he wanted to calm jitters in the international financial committee. If those reasons were valid a week ago, one would assume that those reasons are valid today. Will the Prime Minister make a clear statement today, not just for the international community, but for Canadians, that an economic plan is forthcoming. Will he assure Canadians, that the government has its priorities straight by saying to us today that a $6 billion unnecessary helicopter purchase will be part of that new economic policy and that a budget should be forthcoming any day in this House of Commons?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know why when he gets to quoting *The Financial Post* he is so selective. Surely he could have been a little more careful and quoted the relevant part of the statement by the Minister of Finance.

Mr. Tobin: Pretty relevant.

Mr. Mulroney: Pardon? My hon. friend said pretty relevant. Let me read what the Minister of Finance said which my hon. friend no doubt inadvertently neglected to quote.

The Minister of Finance said: "At the present time I am preparing what is the equivalent of a budget. Cabinet will consider a budget-economic statement". That is exactly what he is going to do. He is consulting, he is preparing a budget, it will be brought to cabinet, cabinet will consider the matter and the House will be fully seized of the plans of the government.

I can assure my hon. friend that it will not deal with matters such as took place when my hon. friends were in government, when interest rates went to 22.75 per cent, when inflation went to 12.9 per cent and unemployment was 11.8 per cent. They devastated Canada with a national energy program. It will never, ever happen again with this government.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. We know that the ministers who are seeking the leadership of the Progressive Conservative Party all have different views as far as the budget is concerned, but their main concern is for their own jobs, not the jobs of Canadians. However, 1.5 million Canadians are waiting impatiently for a budget that will restore their hope in the future.

I want to ask the Prime Minister to tell the House and Canadians today whether they can expect a federal budget within the next few weeks.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the answer is still the same. As I told the hon. member for Ottawa—Vanier, considering the importance of these major economic issues, perhaps the hon. member from Hamilton would care to speak to her leader and ask him once again where he stands on the GST. Does he support it, yes or no? Does he support the free trade agreement, yes or no? Then, if the Minister of Finance brings down a budget, perhaps for once the Leader of the Opposition will rise in the House and give us a straight answer.

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Prime Minister wants us to put forward a budget. Just tell him to have the guts to call an election.

• (1440)

It is obvious that the Prime Minister is playing politics with the lives of hundreds of thousands of Canadians. It is obvious that his only interest right now is in crowning his successor as opposed to reaching out to—

Mr. Speaker: Just a minute. We are getting unnecessarily personal. Would the hon. member lay the basis for her question and put it.

Ms. Copps: Mr. Speaker, I do take the fact that there are 1.6 million Canadians looking for work in this country rather personally. I just wish the Prime Minister did.

I want to ask the Prime Minister very directly—

Some hon. members: Oh, oh.

Some hon. members: Order.

Ms. Copps: I want to ask the Prime Minister this. Given that his own Minister of Finance is asking Canadians to tighten their belts, will he tighten his belt and abolish a helicopter program that is going to cost every single Canadian taxpayer $400?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says that she takes the unemployment figures personally, as she should. Unemployment today is about a full percentage point lower than where it was when she was a member of the outgoing government.

Ms. Copps: You're wrong—

Mr. Mulroney: My hon. friend says that I am wrong. The numbers are there. She can check them.

Ms. Copps: I wasn't in the outgoing government.

Mr. Mulroney: You were a supporter of the outgoing government.

Some hon. members: Oh, oh.

Mr. Speaker: Perhaps the right hon. Prime Minister would like to proceed with the answer.

Mr. Mulroney: Mr. Speaker, *Hansard* did not note the great pride with which the member for Hamilton East said: "I was not a member of the former Liberal government".

Mr. Wilson (Etobicoke Centre): But her chief was, Chrétien was.

Mr. Mulroney: Mr. Speaker, the Minister of Finance will be back in the House very soon, when he concludes his consultations. He will be advising the government and the House of his intentions.

So far the economic program of the government has brought about the kinds of fundamental changes that we want with low inflation and low interest rates and so on.

I think my hon. friend can look forward to an occasion of supporting these kinds of policies at probably an early moment. I know she will rise in her place and say on behalf of the unemployed: "The time has come to lower interest rates; the time has come to get inflation down and I, the member for Hamilton East, am going to vote against spending—"

Mr. Speaker: I think we must move on. The hon. member for Surrey North.

* * *

HEALTH CARE

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a question for the Prime Minister.

A study by the C. D. Howe Institute has confirmed yet again that the spending cuts by this government and by the previous Trudeau Liberals have jeopardized the availability of health care services to Canadians and are making national standards for health care meaningless.

Can the Prime Minister indicate when the federal freeze on contributions to provincial health plans will be lifted and when his government will stop fighting the deficit by sabotaging medicare across Canada?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I looked with great interest at the report of the C. D. Howe Institute. It is fundamentally flawed.

One of the points it does not take into consideration is the tax points that are transferred to the provinces, but only the cash changes. If the hon. member understood the system, provinces asked some time ago for tax points as opposed to cash. Had those been taken into consideration, the hon. member would have found that total transfers between 1984–85 to 1993–94 increased by some 60 per cent to the provinces from some $25.6 billion to $40.5 billion in this fiscal year 1993–94.

• (1445)

When both the tax points and the cash transfers are taken into account the hon. member would find that we have not off-loaded to the provinces but have been, due to the fiscal situation, very generous with the provinces.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, federal transfer payments to the provinces for health, higher education and social welfare account for only 20 per cent of the federal budget, yet the cuts to these transfers account for over 40 per cent of the total expenditure cuts.

Why is this government singling out health, education and services to women and children to carry out more than twice the reduction to other programs? Why is medicare being sacrificed for helicopters that we do not need or want?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, what the hon. member is saying is inaccurate. Only the NDP would say that an average increase of transfers to the province of 5.2 per cent per year over the last nine years was a cut. I do not understand that mathematics and I do not think Canadian people do as well.

* * *

TRADE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the Minister for International Trade.

The Prime Minister told a U.S. television audience that the environmental parallel accord under NAFTA has: "Very little if anything to do with Canada"; it is not important to us. The Americans, however, say that they will pull out of NAFTA unless they get what they want on the environment.

Will the minister take a tough stand similar to that of the Americans on this issue at the negotiations and demand environmental protection for both the Canadian environment and Canadian workers who will lose their jobs because of this deal?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, if my hon. friend had been in the House yesterday he would have heard the Prime Minister refute that statement and elaborate on exactly what was said. If he would read *Hansard* from yesterday he would see that.

Let me make it very clear that we believe the NAFTA as it stands is in the interest of Canada. In addition we have the two side agreements on the environment and on labour which is consistent with the agenda we have been following since February of last year when we proposed similar side agreements.

The outgoing administration did not want to pursue those side agreements. The incoming administration does. We are prepared to sit down with them and negotiate them together with the Mexicans.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, this government is putting at risk the jobs of Canadian workers and the livelihoods of Canadian farmers because it will not deal with these issues.

The government refuses to negotiate a set of subsidy and anti-dumping rules as promised under the free trade deal. Why will Canada not demand a parallel accord on subsidies and anti-dumping which will give Canadian workers the tools they need to compete in a North American market?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I wish my hon. friend would elaborate on why he said we are putting at risk the livelihood of Canadian farmers. He comes from a farm community. If he asked the farmers in that community they would tell him that the supply managed sectors are specifically exempted from the NAFTA.

An hon. member: You're selling them out.

Mr. Wilson (Etobicoke Centre): My hon. friend has to have a comeback on everything. He will not face the facts of the agreement because he knows the facts support what I have just said.

PUBLIC WORKS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Public Works. On the very day the government introduced conflict of interest legislation I want to ask him about the sale of properties at the airport in Saint-Jean-sur-Richelieu.

There are serious allegations that the properties were not sold by public tender, that the land was not even offered to the previous owners, and that the land was sold to a supporter and friend of the Conservative Party for a fraction of what it was worth.

What will the minister do to restore the integrity of tendering process of this government?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I want to tell my colleague opposite for whom I have a lot of respect that perhaps he should not be jumping to too many conclusions too fast.

The newspaper report from which I believe he is quoting is somewhat misleading. In fact it mixes up to some extent two separate parcels of property at the Saint-Jean-sur-Richelieu airport. This property was expropriated in 1963 for runway extension at the time. When it was not proceeded with it was decided in 1988 to sell a portion of the property on the western end. It was in fact sold and the remaining portion at the other end of the runway was recently cleared for disposal by Transport Canada, late last year.

• (1450)

I know my colleague will have a supplementary question so I will respond to that.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I know very well what the minister is saying, but he has not at all addressed the issue about the properties that were disposed of without public tender.

[*Translation*]

How can the minister justify not giving the neighbouring owners who wanted to buy back their former land the opportunity to do so? How can he justify going beyond the whole public tendering process and selling to an individual without informing the public? How can he justify that?

[*English*]

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I am very pleased to respond to my colleague on this part of his question as well.

In this particular instance I wrote to a solicitor almost two years ago for one of the people who felt aggrieved because she was a previous owner of part of the property. I said at that time to the solicitor, Marco Gaggino of Stikeman, Elliott, that at the time the federal government decided to negotiate directly with Carrière Bernier Limitée because of circumstances.

I will read the letter exactly: "Because of existing circumstances that company had expressed an interest in buying these properties and it was according to us a realistic buyer because he owned most of the north and south of the federal property. On reflection", and I repeat this to my colleague, "the department should have proceeded with a public tender call which is my intention with the other parcel of land".

I agree with him that in this case there was a departure from good public policy, and I apologize for that.

* * *

HIBERNIA

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question for the Prime Minister.

MIL Davie has released a shameful letter from the former minister of energy which indicates that he went cap in hand to the Hibernia consortium begging for Canadian participation in the construction of the supermodules, the contract for which ultimately went to Italy and South Korea. With a 25 per cent tariff forgiveness in hand they told him to forget about it.

Does this not indicate that in fact the government did diddley-squat to ensure that the $3 billion spent on Hibernia would provide the long-term value added benefits to Canadian shipyards that were in fact promised by this government when Hibernia was raised in this House?

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I must mention to my colleague on the other side that the contract was made over a year ago by the Hibernia management division. The decision to review was made by the owners at the highest level. The government has no legal or contractual means by which to force the owners to allow Canadian companies to bid.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is very simple. With Canadian taxpayers paying $3 billion for this we would expect long-term industrial benefits.

Why would he consider that anything but the most utter incompetence when those benefits are not coming to Canadians?

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, before my colleague blows a gasket maybe he should understand that 80 per cent of the products, to the tune of $800 million, were purchased in Canada so far employing Canadians and giving Canadian firms the opportunity with regard to the purchase of materials.

I think the hon. member is off beat with what he is trying to say.

* * *

VIOLENCE

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, my question is for the minister of revenue or the minister acting on his behalf.

I do know that the government is looking at how to stop killer cards and related board games from entering Canada. However I do not feel it is moving fast enough.

I cannot help but think of that horrific murder in Liverpool where two ten-year olds abducted and murdered a two-year old child. It would seem that board games that have as a goal the collection of dead babies treat such anti-social behaviour as socially acceptable. Well, it is not. My constituents and I want to know what progress has been made to block the entry into Canada of these horrid games.

• (1455)

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, in the absence of the minister of revenue who is out of the country on important business, I assure my colleague that according to my information all customs officers have been put on full alert. These games are being interdicted as they come to the attention of the department.

The Minister of National Revenue and the Minister of Justice are fully apprised of the problem. They are taking immediate steps to try to correct it in accordance with every means available to them.

* * *

THE ENVIRONMENT

Mr. Jack Iyerak Anawak (Nunatsiaq):

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

[*English*]

My question is for the Minister of State for the Environment. Despite strong objections from northern residents the Department of the Environment has recently approved a permit for Panarctic Oils to dump as much as 400 tonnes of scrap metal into the Arctic Ocean.

The people of the north are sick and tired of northern lands and waters being used as dumping grounds for other people's garbage.

Will the minister tell the House why her department has approved the use of the Arctic Ocean as a garbage dump and why Panarctic was not asked instead to completely remove its garbage from the north?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Mr. Speaker, like all colleagues I am working very hard to ensure that environmental standards are maintained. Every effort is to ensure that anywhere garbage or refuse is to be brought has to come within our standards.

The particular situation my hon. colleague refers to obviously must be addressed. I will provide further information to him on it.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, this proposed dumping is simply not acceptable to the people of the north who live in this area and who depend on the resources of the ocean for their food. Will the minister agree today to put an immediate stop to this proposed dumping?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Mr. Speaker, I am not aware of the details of that particular situation. I will certainly take it under advisement and get back to the hon. member.

* * *

MINING

Ms. Ethel Blondin-Andrew (Western Arctic): My question is for the Minister of Labour.

The strike at Giant Yellowknife mine is in its ninth month. Nine lives have already been lost. It has been the most divisive, destructive labour dispute in Canadian labour history.

The minister responsible has not exercised his jurisdiction to the fullest on this matter. What contingency plans does he have to deal with the aftermath of the decision of the disputes inquiry?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I think it would be most inappropriate for me to answer the question as put by my hon. friend when now in Yellowknife an industry inquiry is under way. The CLRB, the Canadian Labour Relations Board, is there. To ask me now what I will do when the decision is made is totally inappropriate, and I cannot answer that question.

Ms. Ethel Blondin-Andrew (Western Arctic): Mr. Speaker, my supplementary question is to the minister. What is inappropriate is his not spending as much time in the cold and the snow with the rest of us in Yellowknife as he does basking on the beaches in southern climes.

Mr. Speaker: The hon. member may wish to put a question. Please put it.

Ms. Blondin-Andrew: Mr. Speaker, the economic and community structures of the city of Yellowknife are falling apart as a result of this strike. Businesses are faltering. Some have even gone under. Families and friendships have been destroyed through the violence.

When will the minister take direct action and set up a contingency plan—it is also inappropriate to be unprepared in the event that this fails—to end this destructive situation? What plans does he have?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, the reason I have a tan is probably because I spend a lot of time in the House of Commons with these lights, more than the hon. member does.

The issue raised by my hon. friend is a most serious one and of course the government recognizes it.

• (1500)

I must tell my hon. friend that I met with the parties in this dispute a number of times. I suggested to them that the best way to end this dispute would be for the parties to agree to binding arbitration.

The parties have refused. As a result, we appointed what we felt were the best mediators possible in British Columbia and the Northwest Territories, Mr. Munroe and Mr. Reddy. They met with the parties. They prepared the report. After that was unsuccessful, I then went ahead with the appointment of an industrial inquiry commission which is now sitting. On top of that, there has been an additional request by a new union which has asked to be accredited. The Canadian Labour Relations Board is looking into that.

Therefore, labour department has done everything that is possible. I hope that after the recommendations of the industrial inquiry commission we will get a peaceful resolution of this dispute.

* * *

CROSS-BORDER SHOPPING

Mr. Stan Wilbee (Delta): Mr. Speaker, my question today is for the Minister of State for Small Businesses and Tourism.

Over the last 18 months, there has been a great concern among retailers and tourist people in Canada over cross-border shopping. However it would appear that this problem is easing off somewhat.

Could the minister give us the current statistics on this problem? Could he also tell us what his department is doing to further remedy the situation?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like to tell my hon. friend that confidence in our economy is up. The Ernst Young report tabled today said 60 per cent of entrepreneurs are optimistic about the future.

StatsCan reports that same day auto travel to the U.S. moderated in December 1992 from the previous month. Auto trips of one or more nights have dropped 6 per cent from month to month. Also, cross-border shopping is down 20 per cent over two years.

Mr. Speaker: The hon. member for Timmins—Chapleau on a question of privilege.

PRIVILEGE

LEGISLATIVE COMMITTEE ON BILL C-113

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I rise on a point of personal privilege concerning the decision by the majority of the committee studying Bill C-113, which includes proposed changes to the Unemployment Insurance Act, to expunge the testimony of witnesses who appeared before the committee yesterday.

The censorship of this testimony raises a number of important questions for the functioning of this place on both procedural and substantive grounds.

This is a matter which affects the functioning of this committee but also affects the functioning of all committees of this House. If this decision is allowed to stand it unleashes the spectre of direct censorship of witnesses based on nothing more than the whim of the majority of the committee.

The majority of members on a committee have a number of options in accordance with the rules and traditions of this place. However, they do not have the right to expunge the verbatim reports of the proceedings of the committee.

In Beauchesne's sixth edition citation 106 clearly states:

> Committee reports and the verbatim transcripts of committee hearings are documents published under the authority of the House and are entitled to the same absolute privilege as House documents.

If there is to be censorship of the evidence tendered before a committee of this House, history will have no record of the testimony on which the recommendations of the committee were based.

A member who wishes to dissent from a majority report would have no record of the testimony except for his or her own notes or recollection. How would that member or any other member at some later date be able to cite the testimony of a witness with whom the majority of the committee disagreed and whose testimony was expunged? This is clearly an infringement on the privileges of all members.

Beauchesne's sixth edition, citation 827 states that a committee has the power to print a document entitled *Minutes of Proceedings and Evidence* for each meeting. Citation 827(3) goes on to state that "the evidence is a verbatim record of the debate of the committee".

Beauchesne's sixth edition further discusses what changes are allowed to be made to these verbatim transcripts. Again Beauchesne's sixth edition, citation 828, notes:

> Minor corrections can be made to the Evidence by informing the clerk of the committee who causes to have printed an Erratum to the Minutes of Proceedings and Evidence.

More importantly it states that:

> Corrections of an important nature can only be made by the adoption of a motion in the committee.

• (1505)

The key point is the use of the word correction. The dictionary definition of the verb correct means to amend, set right or make free of errors. In no way could the word correct used in this context imply the complete expunging of the record of the testimony of a witness. It is my respectful submission that in passing the motion to expunge the testimony of the International Association of the Machinists and Aerospace Workers, the committee exceeded its jurisdiction. This makes the question of privilege a matter for the House and for you, Mr. Speaker.

This is made even clearer by the fact committee and the Chair have other means of dealing with the witnesses who are unruly, defamatory or otherwise disrupt the workings of the committee. Beauchesne's outlines several of these options, none of which were followed in the committee last night. Beauchesne's 6th Edition, Citation 820 (1) notes that:

> The Chairman of the committee is responsible for order and decorum in the committee.

There are a number of ways the committee chair can preserve order, ranging from cautioning the witness to having the witness removed from the committee hearing.

The chairman did not caution the witness during the testimony but allowed the testimony to be given in full. Only after the testimony was placed on the verbatim record was a motion presented to expel the witness and wipe out the testimony unless the witness withdrew certain remarks. The witness refused and was expelled on the verbatim and the verbatim record expunged.

This, too, is clearly beyond the jurisdiction of the committee. Again, Beauchesne's sixth edition, citation 820, states that:

> Disobedience to the orders of a committee, provided those orders are within the scope of the committee's authority, is a contempt of the House—

As I have already outlined, those orders were clearly outside the scope of the committee's authority. However, even if it were within the authority of the committee, Beauchesne's sixth edition, citation 820 (2) states:

> A committee has no authority to punish one of its members or other persons for an alleged offence committed against it. Only the House can decide that an offence has been committed.

The fact that these steps such as adjournment or cautioning the witness were not taken should indicate that the committee members and the chairman did not find the testimony disruptive, defamatory or otherwise interfering with the work of the committee.

Beauchesne's sixth edition, citation 109, clearly states that:

> Witnesses before committees share the same privilege and freedom of speech as Members.

Beauchesne's sixth edition, citation 75 states that:

> The privilege of freedom of speech is both the least questioned and most fundamental right of the Member of Parliament on the floor of the House and in committee.

Although I have outlined a number of serious, in fact fatal procedural flaws in the proceedings of the committee last night, the essence of my point of privilege is that the witness before a committee of this House has been effectively silenced by the government majority on that committee. It is vital that you deal with this very serious breach of privilege with the utmost dispatch.

The remedies I seek are as follows. First, the motion to expunge the verbatim record be declared void.

Second, the testimony of the International Association of Machinists and Aerospace Workers be restored to the verbatim record of the committee. In the alternative, if the record has already been destroyed that the committee be required to rehear the entire testimony of the witness from that union.

Third, a declaration be issued in the clearest terms possible to all members that the destruction or expunging of a record of a committee is unacceptable, unparlia-

mentary and a breach of our privileges as Members of Parliament.

Fourth, the conduct of certain members of the legislative committee be referred to the appropriate committee of this House for the proper disciplinary action.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for Notre-Dame-de-Grâce for the Liberal Party, the loyal opposition and then I will recognize the chairman of the committee and the mover of the motion. I think that will be sufficient.

• (1510)

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, as a member of this legislative committee, I want to fully support the question of privilege just raised by my colleague from Timmins.

In all my years in Parliament I have never seen such action as was taken by that legislative committee last evening, which I believe to be totally unprecedented. The majority of the members on the committee who represent the government side were so upset by the testimony of the witness—the witness we invited to the committee, the International Association of Machinists and Aerospace Workers—that not only did they vote to expel the witness from the committee, but to totally expunge all the testimony the witness from the union had given up until that time.

One might understand, as in this House, if the witness before the committee had made one statement or phrase that was unacceptable or unparliamentary, which he was asked to retract. But that was not the case. The committee voted to expunge not simply that statement which seemed to offend them, but the entire testimony of the committee as it took place last evening.

I want to fully support this question of privilege raised by my hon. colleague. If we accept that kind of procedure in a committee or in this House, as a matter of fact, where if we simply do not like the tone of debate or what is said we can expunge the entire proceedings, then we end up in a situation which is totally unparliamentary, totally contrary to our democratic procedures.

I think at the very least, Mr. Speaker, you should accept this question of privilege and rule that the testimony must be accepted. If there is one particular phrase in the testimony that is unparliamentary then perhaps that might be deleted from the testimony.

One certainly must accept that the great bulk of the testimony, which included questions and remarks by members of the committee and the chairman as well, should remain for the historical basis of the committee. Many very good, telling points were made by the union, which was a witness before the committee.

There were other requests made by the hon. member in his question of privilege which I think have to be looked at as well. I have never witnessed, in my experience as a committee member, the expulsion of witnesses from a committee because we did not like the tone or substance of what they were saying. I think that is uncalled for as well.

This is a very serious matter and if we allow this sort of precedent to stand in our committees, I think we are going on a long road toward destroying our committee and parliamentary system.

Mr. Doug Fee (Red Deer): Mr. Speaker, I rose in this place on February 26 to explain why I abstained from voting on the two motions on this bill. I implied that it was an honour your office was giving me to chair this committee. A number of people laughed and said I was going to find it was not much of an honour. It has indeed proven to be an interesting experience.

To help in your deliberations, Mr. Speaker, I would just like to give you my recitation of the events of yesterday afternoon as I recall them without my notes in front of me.

To begin with, during the testimony there were a number of references which, in my judgment, I perhaps could have called the individual making the presentation to task on. I chose not to. Had they occurred in this House, the Speaker would have ruled them out of order and called them to point at that time. However, because the witnesses were not members of this House, I allowed a fair degree of latitude in their comments.

They concluded their remarks with one extremely inflammatory and accusatory statement about government members to which a member of the government side of the committee took exception and, on a point of order, asked to have it withdrawn. At that point I asked the witnesses if they would be good enough to withdraw

their remark so we could carry on with questioning. They refused.

Subsequently, the government members indicated they were going to introduce a motion asking for all the testimony to be struck if they did not withdraw the testimony. At that point I again asked if they would not please remove the offending remarks so we could carry on with the questioning. Again they refused.

At that point the government members gave me the written motion insisting that the testimony be struck from the record and we adjourn the committee. The hon. member who brought up the point of order then offered an intervention and also asked the witnesses to withdraw the remarks so we could carrying on with questioning. They refused. The Liberal member in response to the motion in the committee made a very eloquent intervention. He too asked if they would not withdraw the remark. They refused.

• (1515)

At that point we then read the motion as presented by the government members. For a third time I asked the individual witness if he would not please remove his remark. He looked at me and said to call the question. I put the question and the motion carried. At that point the committee asked the witnesses to leave and adjourn the hearing until the next witnesses showed up half an hour later.

To the best of my knowledge that is an accurate summary of the events of yesterday afternoon. I hope that helps in your deliberations, Mr. Speaker.

Mr. René Soetens (Ontario): Mr. Speaker, I too want to want to speak on this question of privilege.

I believe that the privileges of the House and the privileges of all members of this House were being protected when I put that motion yesterday in committee.

In fact, the recollection the chairman of the committee has presented today is very close to the recollection I have. The only addition I would make is that the Liberal member who indicated he had never seen such action did not in fact see it last night either.

The fact of the matter is that this committee has been functioning under the Standing Orders and under Standing Order 116 which states:

> In a standing, special or legislative committee, the Standing Orders shall apply so far as may be applicable.

I refer to Standing Order 117 which says:

> The Chairman of a standing, special or legislative committee shall maintain order in the committee, deciding all questions of order subject to an appeal to the committee;

In fact there was a motion put. That motion was put to protect the interests of all members of Parliament. I would refer to Beauchesne's sixth edition, citation 33 under "Privileges of the House" which states:

> The most fundamental privilege of the House as a whole is to establish rules of procedure for itself and to enforce them.

Citation 34 says:

> The power of the House to enforce its rules extends not only to Members and others admitted within the precincts of Parliament, but also to members of the general public who may interfere with the orderly conduct of parliamentary business.

I would suggest that is exactly what happened yesterday with the witness who appeared before the committee.

I refer as well to citation 77 of Beauchesne's relating to freedom of speech because the member, as the chairman of the committee has pointed out, made some rather inflammatory comments about members of Parliament. Citation 77 clearly states:

> Freedom of speech does not mean that Members have an unlimited or unrestrained right to speak on every issue. The rules of the House impose limits on the participation of Members—

Having asked that member to limit his comments, he so refused on numerous occasions including requests that I extended. If it goes any further than that, extensions of privileges within committees is dealt with on page 27 of Beauchesne's sixth edition. Citation 106 states:

> Many of the privileges of the House extend also to its committees. They may exclude the public from their meetings and commonly do so, particularly while considering their reports to the House.

I suggest that although we were not considering a report to the House, we had every right by that section to exclude the evidence and the witness who had presented.

I also refer to citation 107 which states:

> Breaches of privilege in committee may be dealt with only by the House itself on report from the committee.

I note you have not as yet received a report from our committee. Further, concerning witnesses citation section 109 states:

> Witnesses before committees share the same privilege of freedom of speech as Members.

On more than one occasion in this House the Speaker has risen to challenge the words, the insults and the accusations thrown by one member of Parliament against another and has immediately demanded a retraction.

Mr. Speaker, I suggest you will find that is exactly what I did because in the concluding comments of the witness who appeared before us that member cast an aspersion on all members of this House. I immediately raised a point of order asking the member to withdraw. He refused on more than one occasion as has been clearly indicated by the chairman. I think the steps we took were most appropriate. We defended the privileges of all members of this House.

• (1520)

The Acting Speaker (Mr. Paproski): Does the hon. member for Kamloops have something else to add to the arguments?

Mr. Nelson A. Riis (Kamloops): I would not be standing up if I did not, Mr. Speaker. I just want to say that if I felt that all the points had been made adequately I would not have asked for recognition, Mr. Speaker.

I have listened carefully to the words of my hon. friend. I believe that the emphasis of this discussion so far has eliminated or ignored perhaps the most crucial part. That is that the majority of the members of the committee decided they would remove the record of what had been discussed including not only the alleged offensive comments but the entire presentation itself.

We get into extremely dangerous territory when a government majority on a committee or perhaps even in the House of Commons if we want to extend this, on a simple motion can decide that the record of that committee or the record of the House of Commons can be eliminated and what was said will no longer be stated on the record.

Mr. Speaker, this surely has to be one of the critical aspects that you must now consider before you make your judgment. That is because once it was decided, if your judgment were to go this way, Mr. Speaker, that the majority of the committee could simply eliminate for all intents and purposes all of the transcript of remarks from that committee, where would that lead us in the future? In other words, whenever there were critical comments being made of course the majority of them would have a clear indication of what option may be available to them.

I just simply wanted to emphasize that there are two aspects to this. One is that yes, we can expel witnesses, but whether or not we can eliminate the record is another question.

The Acting Speaker (Mr. Paproski): I think the Chair has had enough testimony from all members. I particularly want to thank the hon. member for Timmins—Chapleau, the hon. member for Notre-Dame-de-Grâce, the hon. member for Red Deer and the hon. member for Ontario.

I will take this under advisement and will come back with a ruling on it.

Mr. Samson: I just want to correct the record, Mr. Speaker.

The member for Red Deer indicated that I encouraged the withdrawal of the comment that was made by the witnesses. Just for the record I want to clarify that I was not asking them to because I felt that in the theme of freedom of speech they had the right to express themselves and if we cannot take the heat—

The Acting Speaker (Mr. Paproski): We will take that into consideration also.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I was prepared to let this go because the arguments have been made. However, as I understand the facts, some outrageous, slanderous and libellous comments were made and they were withdrawn and withdrawal was asked for. If any member in this House refused to withdraw those remarks they would be turfed out as has happened before.

I find it offensive that the hon. member should defend such actions by some witnesses before—

The Acting Speaker (Mr. Paproski): I said I will be taking this under advisement.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, it being Thursday I would like to ask the House business question to the hon. government House leader. Could he tell us what will be the business for the rest of this week and for next week?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, this afternoon we will do second reading of Bill C-103, the Land Titles Repeal Act, after which we hope to complete second reading of Bill C-72, an act to establish a national round table on the environment. Tomorrow we hope to complete second reading of Bill C-112, the Excise Tax Act as well as second reading of Bill C-102, the Customs Tariff Act.

Monday will likely be an opposition day. On Tuesday we hope to complete report stage and third reading of Bill C-95, the Farm Credit Corporation Act as well as second reading of Bill S-17, the intellectual property act.

I will of course carry on discussions with House leaders of the opposition parties in terms of business for the remainder of next week.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, we had some understanding and were expecting a budget to be introduced perhaps later this month or early in April or perhaps an economic statement.

Can the government House leader give some clarification? Are we still anticipating that there will be at least an economic statement made either at the end of this month or sometime in mid-April?

• (1525)

Mr. Andre: Mr. Speaker, my recollection is most of Question Period was spent answering that question and I think the answers are on the record.

GOVERNMENT ORDERS

[*English*]

LAND TITLES REPEAL ACT

MEASURE TO ENACT

Hon. Harvie Andre (for the Minister of Indian Affairs and Northern Development) moved that Bill C-103, an act to provide for the repeal of the Land Titles Act and to amend other acts in relation thereto, be read the second time and referred to a legislative committee in the Departmental envelope.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very pleased to speak on behalf of the government to Bill C-103, the repeal of the Land Titles Act.

This morning I was very pleased to see Bill C-104 which deals with the situation in Saskatchewan move ahead after some very good consideration and certainly agreement among members of this House.

I will speak briefly as I expect other members will. I want merely to explain what Bill C-103, the repeal of the Land Titles Act in fact does.

First it should be recognized that the whole question of land titles and registration is a provincial responsibility. This legislation transfers to the territorial governments that same responsibility in accordance with the government's policies of devolution. I do not think there would be anybody in this House who would disagree with the principles of devolution. I am sure the territorial governments and legislatures have the responsibility comparable to the provinces in a number of these areas.

This transfer will have no effect on land claims. What we are merely doing is ensuring there is a system in place for the registering of title and other interests, such as easements.

There is however some minor effect on other pieces of legislation, for instance the Navigable Waters Protection Act and certainly the Northwest Territories Act, the Yukon Act and the Territorial Lands Act. Both cases are

mechanical amendments and involve for instance the depositing of plans and clarifying authority in some cases.

Obviously there would be some concern about the implementation of transferring responsibility from the federal government to the territorial government. That happens in all cases and there is no doubt that those questions might arise. However, it is important to recognize that Bill C-103 provides some protection for the federal interest and therefore for those who deal in this system.

First of all it has been agreed that the territorial legislation which we have put in place will be based on the Torrens system. Territorial legislation will provide that the new system will be similar to the current system and that is a logical progression.

Further it will provide the title can be issued to the Crown for the registration of statutory easements. It will prohibit the registration of caveats against unpatented Crown land.

A question which I am sure will also arise is that of the financial implications and there are some. They are not particularly substantial.

One will provide for an assurance fund that will guarantee the accuracy of documents in the registry that will be transferred to the two territorial governments. That is particularly important for anybody who is going to depend on the accuracy of those documents. That involves about $900,000 to the government in Yellowknife and about $760,000 to the government in Whitehorse. Any revenue that is generated from this system will be deducted from the transfers. However, the funds from the Department of Indian Affairs and Northern Development A base that are now used to support these operations will be added to the territorial government's revenue base. It is about $21,000 for the Northwest Territories and about $10,000 for the Yukon.

• (1530)

It is important to note that both territories have prepared the appropriate legislation that will come into effect once this legislation is enacted or this federal legislation is replaced by an order of the Governor in Council. Certainly every effort is being made to ensure a smooth transfer, which I think one would expect, which will come from the co-operation of both levels of government.

One of the questions that many will ask is what has been the nature of the consultation. That is a legitimate question. The Government of the Northwest Territories, because territorial governments have been responsible for consultation, have canvassed twice by letter the Inuit, Dene and Métis. Concerns have been raised by one band and the officials of the territorial government have been advised of those concerns. There was a meeting held with the Inuvialuit. That discussion focused mainly on the assurance fund and making sure that the fund was maintained.

In the Yukon, the federal territorial and CYI group met twice to discuss the issue of land titles. The issues have been resolved. There was some discussion about separate systems and I think there is now an agreement on the best way to proceed.

It is important to reiterate that the transfer will not affect land claims. It simply is an administrative system to record land titles similar to those operating in the province. By agreement the system will be similar to the one that is in place now. A system that in its transfer and therefore its adaptation will take into account the necessity for a smooth change in style and a smooth change in system.

I should also point out, Mr. Speaker, that I think you will find in this House consent to amend the motion for second reading on Bill C-103, the proposed Land Titles Repeal Act, to refer the bill to a legislative committee in the Human Resources envelope rather than the Departmental envelope.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I am pleased to have this opportunity today to speak on Bill C-103, an act to provide for the repeal of the Land Titles Act and to amend other acts in relation thereto. This bill's short title is the Land Titles Repeal Act.

Bill C-103 will repeal the existing federal Land Titles Act which was originally passed in 1894. The original act has been amended from time to time and most recently in 1991 as part of the Federal Real Property Act.

The federal Land Titles Act provides a legal and administrative framework under which all land owners in the Northwest Territories and the Yukon may register their interests in land. The act is strictly a system of registration and thus does not grant any powers to administer land.

Both territorial governments have been administering provisions of this act on behalf of the federal government for the past several years. The Government of the Northwest Territories assumed administrative responsibility for the NWT land titles office in 1967 and the Yukon assumed this responsibility in 1975.

In 1986 both territorial governments formally asked the federal government to transfer the legislative responsibility for land titles to them. They subsequently passed their own land titles legislation which will replace the federal Land Titles Act in their respective territories. Their legislation, however, cannot come into force until the federal government formally transfers its responsibility in the field of land titles registration in the territories. Bill C-103 is enabling legislation. It will repeal the federal Land Titles Act and transfer the legislative responsibility for land titles registration in the Northwest Territories and the Yukon to the two territorial governments.

• (1535)

It will allow the territorial government's own land titles legislation to come into force. The territorial governments, after passage of this bill, will gain legislative authority for powers they are exercising now as an administrative delegation from the federal government.

Bill C-103 makes consequential amendments to other federal legislation such as the Navigable Waters Protection Act, the Northwest Territories Act, the Yukon Act and the Territorial Lands Act. Through this bill the federal cabinet will receive specific authority to transfer federal public lands in the territories to the commissioners. This bill also authorizes the retransfer by the commissioners to the federal government of lands administered by the commissioners.

The government has included this matter in Bill C-103 to clarify the authority of the federal cabinet to transfer lands to the commissioners and to clarify the authority for the retransfer of lands to the federal government by the commissioners. Apparently federal ministers, including the Minister of Indian Affairs and Northern Development, now lack specific statutory authority to recommend to cabinet the transfer of land under a minister's administration to a commissioner. The commissioners' authority to retransfer lands to Canada also lacks a specific statutory authority. Through Bill C-103 the Northwest Territories Act and the Yukon Act will be amended to provide these specific authorities.

Land issues are extremely sensitive and emotional issues in the north. I could easily get into a lengthy debate about who has the right to claim title to the lands in the north where aboriginal land rights have not been dealt with. I have expressed my views on aboriginal title and land rights on many previous occasions, both within and outside this House, and I am sure there will be further opportunities. For the moment, however, I will restrict myself to the more narrow focus of this bill.

The government says this bill is only devolving to the territories a power which they are already administering on behalf of the federal government, namely, the power to register land titles. This transfer of federal responsibility is a natural one in the sense that land titles registration is a provincial responsibility in the rest of Canada. I want to make it clear that we on this side of the House support the principle of northerners having more control over matters that affect them. The federal policy of devolution of powers was, after all, begun by the Liberal government.

We also want to examine this bill closely to ensure that it does not negatively affect the rights of aboriginal people in the territories.

The minister has said that the settlement of land claims in the territories is unaffected by this bill because the authority for the administration of Crown lands remains the responsibility of the federal government. The minister has also stated that northern aboriginal residents have been consulted about the transfer and that the federal government is satisfied this transfer of powers will not impede the land claim settlement process.

I am sure the minister understands that we have an obligation to Parliament and to the people of the north to assure ourselves that this is in fact the case.

We have therefore sought the views of northern governments, aboriginal organizations and other interested parties. Both the Yukon and NWT governments have expressed support for this bill and have further expressed a desire to have it passed in the current session. The response of the aboriginal organizations we have contacted, however, has not been as clear. Some

concerns have been expressed which require further clarification.

It may well be that satisfactory assurances can be provided in short order, but to ensure that this bill receives the attention it deserves and is well understood by all affected parties, we believe it merits some time in committee.

• (1540)

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to say a few words at second reading of Bill C–103, an act to provide for repeal of the Land Titles Act and to amend other acts in relation thereto.

At this stage we are discussing the principles of the bill and the major objectives we hope to accomplish by its passage. The main objectives that are being presented here are threefold. One would be repeal of the federal Land Titles Act which will be replaced by territorial legislation and make consequential amendments to existing federal legislation in relation thereto.

My hon. friend who has just spoken indicated that all actions which will give more control of the north to northerners is something we want to encourage and support.

Also, an objective would be to provide for the transfer of legislative responsibility for land titles registration in the Northwest Territories and Yukon Territory to the respective territorial governments which will provide legislative authority for what they are currently administering. This by and large is an updating of a process that has been under way now for some time. This seems to be the appropriate conclusion of that process.

As well, I should indicate that another objective would be to specifically authorize the transfer of public lands in the territories to the commissioners by the Governor in Council and that the retransfer by the commissioners to Canada of lands administered by the commissioners as well.

For background, I simply want to say that the Land Titles Act, originally passed in 1894, almost 100 years ago and amended from time to time, is a federal statute applicable to both the Yukon and Northwest Territories and provides a fundamental legal and administrative system under which all land owners may register their interest in the land.

In 1986 the territorial governments requested in a formal way the transfer of the legislative responsibility for land titles to enable them to update the legislation affecting their respective jurisdictions. Certain paragraphs of the Yukon Act and Northwest Territories Act provide for the authority for the commissioners in council to make ordinances for property and civil rights and generally all matters of merely a local or private nature. The system of land registration is perceived to be a matter of local concern which is obvious to anyone who has examined and studied the north or particularly spent time in the north.

Once the federal government divests its interest in the field of land titles registration, the territorial governments will then assume complete legislative responsibility in this field.

The proposed transfer of legislative jurisdiction of land titles is certainly consistent with the devolution component of the present government's northern political and economic framework policy which was approved by the cabinet, if my memory serves me, back in June 1987. Of course, this would also transfer provincial type programs to northerners consistent with their ability and readiness to absorb new responsibilities. In light of recent developments that is virtually total now. This particular transfer of responsibilities, which was begun some 20 years ago, completes this process.

The authority of the Governor in Council to transfer lands to the commissioners and the authority of the retransfer of lands to Canada by the commissioners requires some clarification. This issue arises from the lack of any specific statutory authority for the Minister of Indian Affairs and Northern Development and other ministers to recommend to the Governor in Council a transfer of land under a minister's administration to a commissioner. The commissioner's authority to retransfer lands to Canada lacks unfortunately a similar specific statutory authority. The Northwest Territories Act and the Yukon Act are being amended to provide that specific authority and we want to applaud that particular action.

The Land Titles Act controls the registration of land titles under a Torrens system. The Torrens system as we know is one where each transaction concerning a piece of land is submitted for registration. It is then carefully examined and approved before being recorded against the title of that property. All outstanding interests are up to date as recorded on the certificate of title and certified by the land titles office. The government then guarantees the accuracy of this title as shown on the appropriate record. This is what we refer to as the Torrens system.

The act is simply a system of registration and does not grant any powers to administer lands. Land titles are a provincial responsibility in the rest of Canada. The administrative responsibilities of the land titles offices in both Yellowknife and Whitehorse were assumed by the territorial governments back in 1967 and 1975 respectively.

• (1545)

I simply want to say we will support the passage of Bill C-103 at second reading because we certainly agree enthusiastically with the principle of this bill. However, I do feel it would be inappropriate if I did not mention a serious concern we have. Hopefully, we can have this clarified before this goes to committee.

In our discussions with the principals involved, we believe not enough attention was paid during the consultation process. I think my hon. friend referred to this in his comments as well. The department claims that consultations were conducted and various groups chose not to respond. It nevertheless feels the matter has been satisfied to its purposes while I think my view would be quite different.

What prompted that view was the receipt of a copy of a letter from the Yellowknife Dene band which pointed out it was informed through a news release of this very important gesture. Now whether that is true or not, and I understand there is some question whether it is, I think the important thing is that there are groups of people in the north who have not been adequately apprised of this. Perhaps there were opportunities in the past. I understand many years ago when this was first noted they had a chance to respond. But the reality of this world is that a simple letter going out three or four years ago may not have elicited the appropriate response for something we are dealing with today.

We all recognize that some further consultation and discussion is now required. I urge the government to do this prior to any serious deliberations in committee so we can have adequate input from all stakeholders in this particular decision.

I think that indicates our intent to support this bill at second reading. Again, any initiative that would empower northerners to take control their future through decision-making is appropriate and should be encouraged. But we do have this particular concern in terms of the major stakeholders at this point not being adequately consulted. They should be consulted either before or certainly during the committee process.

The Acting Speaker (Mr. Paproski): Before I put the question, I believe the hon. member for St. John's East said the bill would be referred to a legislative committee in the Human Resources envelope.

Could I call upon the hon. member for St. John's East.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, anything to help you along here.

I suggested that I thought you might find consent in the House to refer it to a legislative committee in the Human Resources envelope instead of referring it to a legislative committee based on the department. That consent has been sought and I think received. That was merely the intent of my comments.

Mr. Riis: Mr. Speaker, I just want to say there have been adequate consultations in this case, the suggestion is an excellent one and we will certainly support it.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some hon. members: Agreed.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee in the Human Resources envelope.

Government Orders

NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY ACT

MEASURE TO ENACT

Hon. Gerry Weiner (for the Minister of the Environment) moved that Bill C-72, an act to establish the National Round Table on the Environment and the Economy, be read the second time and referred to a legislative committee in the Natural Resources envelope.

• (1550)

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is a pleasure once again to have an opportunity to debate Bill C-72, an act to establish the National Round Table on the Environment and the Economy.

I simply want to say we have waited some time for this opportunity and I am pleased it is happening today. I think this is an excellent initiative. As you know, Mr. Speaker, the round table has essentially been constituted and this will really give it the formal acknowledgement and recognition it so justly deserves.

I know there are others who wish to share their comments on this so I will keep my comments extremely brief.

We have some concerns in terms of this particular bill. It may give the impression that the government is very serious in terms of dealing with some significant environmental issues confronting the country. I think it may be that, but we hope it is much more. We hope it can set the stage for a much greater set of initiatives in the future. When we look around Canada today and consider the commitment, or lack of commitment to environmental assessments on some of the critical major resource projects in the country, we wonder just how serious the government is.

At this point I want to say we support Bill C-72 with some enthusiasm. I look forward to the discussions that will occur later once this gets to committee.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am afraid I will not be quite so brief. We have a number of things to say concerning the bill. However we reiterate our general support for the bill and in particular our support for the work of the round table.

At the same time we must express some concerns, which we will be raising in committee, about the independence of the round table now that it is to be established in legislation. We have seen a number of situations where other independent bodies that were set up to provide independent advice to Canadians, government and Parliament were jeopardized in their independence. In some cases they were in fact eliminated when the government was not entirely happy to have the advice it was getting from such bodies as the Economic Council of Canada, the Science Council of Canada and numerous others that we have debated in this House at length.

As I said, I do want to pay tribute to the round table for some of the excellent work that has been done. It has played a co-ordinating role with respect to the provincial round tables to ensure the bringing together across Canada of environmental, business and labour organizations and numerous interests in Canadian society, to address this all-encompassing and urgent issue of sustainable development. This work of the round table has been extremely valuable and has laid a good foundation for its future work.

It has produced some excellent reports and is in the process of producing more. The report that was done on the road to Brazil concerning the earth summit and Canada's role with respect to the earth summit was significant in the contribution that private organizations, government and parliamentarians were able to make at the earth summit.

I note as well its significant work on greening agriculture and keeping an eye on trade developments as they affect the environment and our objectives of sustainable development. There has been ongoing work on trade, the environment and competitiveness and I think one of their more recent reports was on the tax aspects of ecologically sensitive lands.

Globally, it is looking at opportunities for government action to require and impose protection of the environment. At the same time it is looking at those things in the system that can actually punish people who do what we really want them to do.

• (1555)

The role of the round table is fundamental to changes we need to make in how we function as a society and a government. We must ensure we have the resources for a sustainable future so we can enjoy prosperity and

preserve the very fragile ecosystem upon which we depend for life.

To do that, it is not enough for governments to act. It requires the full participation of all citizens of all interests in Canadian society. In a sense, that is the process the round table has begun and will continue. We see a great need to bring together the many different forces at work to try to implement what we have recently started to understand, that how we operate as human beings in this world, especially when it comes to economic activity, is devastating our very ability to survive on this earth.

We have a number of different actors in the field and there is going to be a very important need in the next short while to ensure that all those forces are working together toward the same objective.

We came away from Rio knowing that transparency, doing things openly, publicly and with the participation of all sectors of our communities is essential to solving some very fundamental problems. I believe one of the challenges facing the round table is how to bring the public into the dialogue. How do we ensure that the very valuable work it has done and continues to do gets the kind of public dissemination that leads to real action at all levels?

At the same time we must ensure that the process is participatory. The public should be involved in the dialogue as issues are addressed. It should not merely be presented with recommendations as to what needs to be done and then expected to come on board. What is needed above all is political will on all sides of this House, at all levels of government and in all areas of human activity. There is no pure environmental issue anymore. On the other side of that statement, there is no issue that is not environmental.

I want to review a few of the issues that have become urgent with respect to the environment and to perhaps demonstrate how far short we are of where we need to be. I want to deal with some specific areas of public policy that I feel have been inadequately addressed.

Public policy must be consistent with the mandate being given to the National Round Table on the Environment and the Economy and the tremendous job it and all other organizations in Canada have ahead of them to start truly protecting this world for our children and our grandchildren.

Let me talk about the green plan. This is a good example where words are not enough. The green plan was tabled with great fanfare and great expectation in 1990. Since then we have seen a pretty steady whittling away of the commitment to the green plan. We saw almost immediately a budget that was supposed to be $3 billion over five years transformed into a $3 billion budget over six years. That translated into better than a 20 per cent cut in the very first year of the green plan. There were cuts in last year's budget and we saw further reductions. The same thing happened again this year.

• (1600)

What initially was supposed to be an expenditure of over $550 million in this year on the green plan was reduced to $415 million and then further reduced to less than $400 million. In each of the years since the green plan was tabled the resources to actually implement it have been steadily reduced.

The other fundamental thing that we have come to understand about protecting our environment is that it is a very complex issue that goes to the very heart of how we relate to other peoples of the globe.

We know now that environmental degradation will come from growing population, growing demands for prosperity around the world, growing demands for energy. We know that poverty is the greatest destroyer of the environment as people destroy their soil, destroy their forests simply in an attempt to survive.

What that means for countries like Canada with all the resources and with all the wealth we have, is that if we are sincere about saving this globe for future generations then we need to be sincere about saving the people of today from poverty, starvation, rampant disease, unclean water, not just in our own country but around the world.

That is why it is tragic the direction that is now being taken with funding for development aid and withdrawing hundreds of millions of dollars from what we provide to help the poorest of the poor in the world. This has been Canada's policy on development aid for well over a decade now. To start taking money away is undermining all that we are asking the National Round Table on the Environment and the Economy to do. To take money from those who are hungry and give to those who can

spend where it will most benefit our trade is nothing short of immoral.

We know that just small amounts of money, well spent on basic health care, on the education of women, will do more to save our environment than building megaprojects, whether it is dams or huge energy facilities. Yet we seem to have trouble learning that very basic lesson, that a small amount of money spent on human development is the most important thing we can do for our world. So we see a shift of money away from those in the world who most need it to where it is going to help us trade better and make more profits.

At home we have not even addressed how we are going to cut our own energy use. We keep taking money out of energy conservation and alternative energy sources and putting it into megaprojects for energy production, encouraging us to be more consumptive and more wasteful. This is exactly the opposite direction to what would be indicated by the kind of work, the kind of onerous responsibility we are asking the national round table to take on and which it has been taking on.

• (1605)

We have not addressed the issues of how our trade affects poverty around the world and the pressures on the environment resulting from that poverty. It is shameful that in 1993 the richest countries of this world take from the poorest $50 billion a year more than we put into them and now we who consider ourselves one of the most progressive nations of the world have just said we are going to put even less into those poorest countries. We are profiting from their poverty and our earth, our air, and our water are the victims of that profit.

We have seen government refusing to take its responsibility and play a leadership role by even looking at its own operations and ensuring we are conducting the business of government in the most environmentally sound way possible. We have ignored our own legislation on environmental assessment to the destruction of the environment and of our own aboriginal people.

We are continuing a world where 20 per cent of the population consumes 80 per cent of its wealth and resources. If we are serious about the job we are now formally and legally giving the National Round Table on the Environment and the Economy, we have to look first to ourselves in this Chamber, to those who are in the cabinet room, to heed the lessons and the wisdom that have already come from the round table and to act in ways that are supportive of their mandate, not destructive.

The round table has played a crucial role in bringing many different forces together in creating a focus and a force for change that must keep growing if we are to leave the next generation a world that is even habitable, much less prosperous.

We look forward to supporting this bill, seeing it go to committee and discussing the legislation in particular in committee.

Hon. Pauline Browes (Minister of State (Employment and Immigration): Mr. Speaker, it is a great pleasure for me to rise today in support of an action that is in the interest of all Canadians, and that is Bill C–72, an act to establish the National Round Table on the Environment and the Economy.

Canada has a very distinguished history in environmental leadership dating back to early in this century. We are a protector of great natural resources. It has been of interest to Canadians and the establishment of the Commission of Conservation in 1909 was in retrospect a far–sighted action for any government then existing.

In 1972 Canadians supported and played a leadership role in the ground–breaking Stockholm Conference on Human Environment. Then in the 1980s, Canadians led the way in building international consensus and preparing the original world conservation strategy and its recent successor Caring for the Earth.

A few years ago in this Chamber, I think it was in 1987, we had an opportunity to debate at some length the World Commission on Environment and Development. This was a United Nation's report, commonly called the Brundtland commission or *Our Common Future*. The commission was put forward by the United Nations, chaired by the then Prime Minister of Norway, Madam Gro Brundtland. We had two Canadian representatives. A very distinguished Canadian, Jim McNeill, was the secretary of the Brundtland commission. In the report it had a recommendation that there would be round tables where people from different parts of the community could come together and discuss issues that were important to the environment.

• (1610)

Canada's National Task Force on the Environment and Economy prepared the earliest and still the most comprehensive national response to the challenges that were presented by the Brundtland commission. It was not all talk. There have been a lot of reports about the environment, but this was a very significant report. In response to the task force each province and territory in Canada and the federal government established round tables to address the pressing issues of sustainable development. This round table involved people from all sectors of our community coming together, sitting down at a table and building a consensus.

There are now dozens of local round tables across the country. Some municipalities have now established round tables. In my own constituency of Scarborough Centre, we have just recently started the process of getting this round table set up by bringing people together. These round tables are established all across the country in municipal and regional areas to discuss the conflict for the common good of bringing people together. These uniquely Canadian round tables have two things in common.

First, unlike previous associations and interest groups, their members have divergent interests and opinions, but a common interest in resolving problems of environment and economy. Second, they have a remarkable record of achievement, based on open discussion and consensus decision-making. While in 1987 it seemed terribly naive to suggest that Canada would launch dozens of new institutional experiments in democracy in response to a United Nations' report, a task force of industrial leaders, the environment minister, and environmentalists from all parties recommended exactly that and that is exactly what happened. Canadians right across the country in every province and the two territories formed an entirely new institution to address the new challenges of this new concept called sustainable development.

This past summer Canada was a very energetic and enthusiastic participant at the unprecedented earth summit held in Rio de Janeiro in June of last year. The delegation from Canada was extensive, made up of members from all the parties in the House of Commons, as well as numerous environmental groups and non-government groups. Many people gathered in Rio de Janeiro to discuss these issues some 20 years after the Stockholm conference. It was truly the largest United Nations conference of any proportions and uniquely it was concerning the environment.

The Minister of the Environment led the delegation for that two-week conference in Brazil. Our Prime Minister was there to give an address on behalf of Canada and to sign two very important conventions, the biodiversity convention and the global warming convention. More important, we were leading the way. As other countries were concerned about signing the biodiversity convention, our own Prime Minister said: "We will be the first to sign this convention". Indeed, the Prime Minister did sign on behalf of Canada, the first nation to sign that biodiversity convention to protect the flora and fauna of the earth.

• (1615)

In this regard the process of setting up a round table was a most important aspect of what we were wanting to do in terms of having organizations and people from all different walks of life come together and have this round table as a meeting of the minds.

I might say in response to my colleague who just spoke concerning Canada's green plan, the United Nations Environment Program chairman, Mr. Tolba, stated at the Brazil conference that Canada's green plan was an example for all nations. It was hailed as the example of what Canadians could do together and as a nation come forth with a green plan. In fact nations that participated in that conference were anxious to find out what the green plan was. They wanted us to tell them about the plan, to give them copies of it.

The $3 billion in funds attached to the commitments of the green plan is a very, very substantial commitment on behalf of all Canadians. This year alone there is a 30 per cent increase in the amount of funds attached to the environment programs, initiatives that take place out of that green plan. As we are pressed in terms of our financial resources, our commitment to the environment has been steadfast in the increase of that amount of money.

At a time in history when all of us need some encouragement about our ability to respond to rapid change, we have an opportunity to build on our tradition of forward-looking institutional adaptation in the interests of improving our environmental and economic quality of life.

The United Nations recently named Canada as the best place in the world in which to live. We are very proud of that and I believe that Canadians are proud. We want to keep it that way, with our social structure, with our opportunities for people to fulfil their lives, our health care, our educational system. All of those items are very important in terms of our quality of life and the United Nations has recognized that.

The purpose of Bill C-72 is to bring people together to help ensure that Canadians working together will keep it the finest place in the world in which to live. It provides a mechanism for leading thinkers and practitioners from many sectors of Canadian society to work together, to build consensus and help set the standards for a sustainable future. We improve this mechanism successfully dealing with the environmental and economic challenges that face us through this particular piece of legislation. I am very pleased that my colleague from Broadview—Greenwood is nodding his head in agreement to this initiative. We are very pleased for the support of the opposition.

Many developing nations are considering the Canadian round table as a model institution to assist them in designing and implementing policies for more environmentally sustainable forms of development. Several states within the United States are taking a careful look at copying our round table model as a means to address some of their most controversial and pressing environmental and economic challenges.

The round table model is the opportunity for participation and consensus building. Let me say that the greatest challenge of sustainable development is to apply more effectively the full range of human intelligence, knowledge and experience to the problems that we will face in the coming decades.

• (1620)

It is critical for us to increase the opportunity for Canadians to participate in the decisions that affect them all. We have had some outstanding members sitting around the Canadian round table for the last few years. Dr. George Connell, the former president of the University of Toronto is the present chairman of the round table.

This piece of legislation gives us the opportunity of putting this institution into legislative form. Sustainable development will require a democratization of decision-making beyond the comfortable *status quo*.

Compartmentalization of responsibility no longer works. We cannot put everything just in compartments. It is a holistic approach. Cross-sectoral, cross-disciplinary and cross-jurisdictional thinking is a better way to deal with an uncertain future and round tables reflect that reality.

This act will sanction the importance and continuing existence of the national round table. Bill C-72 will validate and encourage the continuing support of the private sector and others for this new form of public involvement.

Passage of Bill C-72 will enable this organization to retain the private sector support so essential to its success. Many sectors of Canadian society and business have made substantial personal commitments and organizational contribution to the work of the national round table.

Now this national round table must have greater autonomy to continue to build partnerships independent of government for the benefit of all Canadians. Providing that independence through Bill C-72 will allow the national round table to maintain its distinctive nature separate from government direction but with the full commitment of government as partner.

By empowering the members of the national round table, government can promote the understanding and trust that leads to a well-considered, honest and direct advice that is grounded in the real world.

The national round table is an important step in the continuing transition to sustainable development in Canada. As an institutional experiment it has a proven track record and has wide international support. Many of the most important groups affecting Canada's environment and economy are involved in support of the work of the National Round Table on the Environment and the Economy.

With the consent of the House of Commons, Canadians will look back on this day with pride as the day our nation again took the lead on the long road to a sustainable future.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have a question for the hon. minister.

The remarks she made with regard to this legislation and the establishment of the national round table were extremely interesting. I may have been able to make those remarks myself, perhaps with a few more adjectives in them. They could have been made at anytime. Obviously there was some urgency in the creation of the round table.

I have in my hand the "National Round Table Review, Spring 1992". It is almost a year ago that the national round table itself issued this report.

On the front page of the national round table review is a story about the introduction of this legislation. If I might just quote for the hon. minister from the review: "Delivering on a promise made last June"—that would be 1991—"subsequently supported by the Prime Minister, the hon. Minister of the Environment rose in the House of Commons on April 10, 1992 to table for first reading Bill C-72 legislation to make the National Round Table on the Environment and the Economy, a permanent independent body charged with the responsibility of acting as a catalyst in identifying, explaining and promoting in all sectors of Canadian society and in all regions of Canada principles and practices of sustainable development".

• (1625)

The important part of what I just read is that the promise was made in June 1991. The legislation was tabled in April 1992. Here we are almost one year later. We have had this legislation on the table. It is important legislation. It has support of most, if not all, members of this House. Why has it taken this government a full year to implement this very important piece of legislation?

Mrs. Browes: When this legislation was tabled in the House of Commons in April of last year, it was after a great deal of consultation with the round table itself as well as with others. It was an important decision to make that we would bring in legislation in order to establish this round table as an entity separate from government and, as I said, in partnership.

We should think back to the sequence of events since April 1992, which is less than a year ago. We have had the Brazil conference which included people from all walks of life. Hundreds and hundreds of Canadians were involved in the preparation of Canada's presentation to the Rio summit. The round table took very much of a lead on the discussions leading up to its preparation.

In the interim the round table has been very active on the issues it has been dealing with. Economic instruments is an area that the round table has taken some considerable interest in. There is the use of economic instruments as it relates to the environment, environmental indicators, whether we have the use of taxes. There is the various economic experiments we could use in order to deal with the environment and whether there is some way that we can use the economy in terms of getting people to do the right thing.

That has all been part of the discussions of the round table. In fact the round table's work has been instrumental in the discussion paper that is presently out in the Canadian community to get information, suggestions and ideas back on the economic indicators in terms of how we do that.

The round table itself has been extremely active all along under the leadership of Dr. George Connell. I have been to a few of the meetings myself. The members are very dedicated Canadian citizens who spend much of their own time discussing these issues, coming together from all walks of life and building a consensus.

It is now time for us to come forth with this legislation in order to institutionalize this round table that has been working so well over the last few years. It has really been an example to the provinces, an example to the municipalities and regions that have also set up round tables.

We can look very favourably on the work that the round table members have done, the direction they have been able to present, not only on the policy side, but also to really institute and instigate some real action. That has been beneficial not only to us in Canada but it has also been an example for the international community.

I wish to thank my colleagues on the other side of the House from both of the opposition parties for their enthusiastic support for this particular piece of legislation that the Minister of the Environment has set forth. We look forward to early passage of this legislation.

• (1630)

Mr. Taylor: Mr. Speaker, I have a supplementary question. At the same time as I put this, I also wish to ask if the order of speaking is out of order because I also wish to enter the debate on this bill this afternoon.

I have had the opportunity to review the estimates that were tabled the other day in the House of Commons. While I very much look forward to the operations of the round table, I notice that there is no mention at all of round table expenditures. However I did notice that grants to the Northwest Territories and the Yukon for an Arctic environment strategy were cut by about $2 million in the estimates; about 40 per cent of their budget has been removed.

I noticed that many environmental non-governmental organizations have had their funding cut in the estimates from the Department of the Environment. I noticed that the contributions to the University of Saskatchewan for the Canadian Wildlife Health Centre, particularly the wildlife disease component, have been cut from $380,000 to $200,000. Canadian organizations like the Canadian Environmental Citizenship Program have had their funding cut by more than 50 per cent in these estimates.

When I do not see the round table mentioned in the estimates and I see these other recent cuts to valuable programs that the Department of the Environment has been supporting I wonder if the minister can tell me what the commitment of the government is toward the maintenance of existing programs and how is the national round table going to fit into the expenses of the 1993-94 year?

Mrs. Browes: Mr. Speaker, the hon. member should wait until we get this piece of legislation through before expecting to see it showing up as a separate entity in the estimates. The first step is to get this legislation through, which we are hoping to do in very short order.

In terms of some of the selective items the hon. member has mentioned, we need to look at the larger context of what we have been able to do concerning the environment.

The green plan which was set forth in 1991 set forth a plan of some 100 initiatives. It was a very comprehensive plan of 100 initiatives that we wanted to deliver on behalf of Canadians for clean air, clean water and clean soil.

Three billion dollars were set aside for those kinds of initiatives over a seven-year time period. In this year alone, there is a 30 per cent increase in our expenditures and commitments on behalf of all Canadians for our environment. That is a very significant amount of taxpayers' money. We all know how difficult it is, in terms of taxpayers' dollars, to have the best bang for the buck.

In my opinion and in the opinion of our government Canadians want a clean environment. This particular piece of legislation gives the opportunity for Canadians from all walks of life to come together in a consensus-building approach. Canadians themselves will be coming forth with ideas and suggestions in order to reach the sustainable development concept that was developed by the Brundtland commission in *Our Common Future*.

In 1993 we are being a leader once again, as we were 20 years ago in Stockholm. We played an important role on the Brundtland commission. We were an active participant in the Brazil conference and are now leading the way again with the green plan and with this round table being established as it is in this legislation. This is another commitment resulting from the green plan. It will be truly funded when it is passed in order for Canadians to participate to their fullest.

• (1635)

[*Translation*]

The Acting Speaker (Mr. Paproski): The period for questions and comments is now over. Before recognizing the hon. member for Broadview—Greenwood, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Notre-Dame-de-Grâce—Grants to Municipalities; the hon. member for Burnaby—Kingsway—External Affairs; the hon. member for Halifax West—Westray Mine Disaster; the hon. member for Windsor—St. Clair—Industrial Research Assistance Program; the hon. member for Bonavista—Trinity—Conception—Peacekeeping.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am really happy to have an opportunity to speak on Bill C-72 because my relationship with the round table is a close one.

I would like to recall my last campaign in which I made a commitment to my constituents concerning the Don River which flows through my riding and is the most polluted river in Canada. It is a chemical cauldron filled with toxic and biological waste flowing into Lake Ontario, which is our drinking water.

The commitment I made was that one of the things I would do is make sure that we brought the awareness level of the problem with the Don River to the forefront among all people in our community. Hopefully by bringing the problem concerning the Don River to public attention we would then get the support of all levels of government—municipal, provincial and federal—to maybe do something about reclaiming the Don River.

One of the things we did to enhance awareness of the problem with the Don River during my first year as an MP was to organize a people's summit on the environment. It was an event that took place at the Ontario Science Centre and over a period of 10 days we hosted close to 42,000 people. There were representatives from over 40 countries and over 100 speakers. The then Minister of the Environment, the member for Lac-Saint-Jean, opened the people's summit. It was just a tremendous event. It was a very successful event. All kinds of Canadian artists performed. John Denver flew in from Colorado to perform at this summit. We had the tremendous support of many corporate sponsors.

One of the individuals who worked with me on that event, a young gentleman who used to be on my staff, Dan Donovan, left my office shortly after the people's summit on the environment and joined the National Round Table on the Environment and the Economy. It was because of that close personal relationship that Dan and I have had over the last three years that I became intimately aware of this very special instrument in support of this country's environmental work.

When I talk about the National Round Table on the Environment and the Economy today I want to refer to some of the specific work that it has performed. It is an outstanding effort by very few public servants but many individuals from all walks of life and from all parts of the country who have come together, many of whom have donated their time. I think of the chairman, George Connell, and many others on his board.

• (1640)

I just have to read a few of the names of people on the board who come here from all over Canada. They include: Jim MacNeill, who is really the godfather of the environment in this country; Jack MacLeod, from Shell Canada; Geraldine Kenney-Wallace, the president and vice-chancellor of McMaster University; and the previous chairman David Johnston. This round table is really a gathering of one of the finest groups in the country.

What I have always liked about the round table is that it has been able to do joint venture work for all of its promotional and communications activities. It is not a question of getting together just using taxpayers' money. It has in nearly every case used a small amount of taxpayers' money and then it has gone to the private sector to sponsor the various projects it has undertaken.

Some of the work it has put out over this period is just amazing. I wish there was a way we could communicate to all people in Canada the work that has been done and some of the material that is available. *Trade, Environment and Competitiveness*, edited by John Kirton and Sarah Richardson, is a fantastic piece of work that is very important in terms of linking the environment to the economy, especially trade which is the backbone of our country. Some of the authors it has been able to get to participate in this are great and of course it was sponsored by someone on the outside.

It has an incredible list of publications: *The National Waste Reduction Handbook*, *Preserving our World* by the late Warner Troyer, *On the Road to Brazil, the Earth Summit*, *A Manager's Handbook on Sustainable Development*, and *Decision-making Practices for Sustainable Development*. The list goes on and on. There is a *Small Business Guide to Environmental Management*.

What it has been able to do is so unique. So often in government when a department of government wants to organize a communications policy it tends to basically use its own budget while this particular group, the round table, has always gone out and got joint venture sponsors.

One project that is extremely popular and relevant was a project that happened not too long ago. It was a project launched at the museum of man. I have talked a little bit about its effort in terms of communicating with business but it is also very strong in its ability to communicate with youth. It has developed this video and tape entitled *Courage* which is available if people write the round table. It is sponsored by Hostess Frito-Lay. It is a song and video written and performed by Molly Johnson and Norman Orenstein of Infidels with special guest star Meryn Cadell. It is an effort through Canadian artists through video to communicate to our youth.

How many departments of government are using these contemporary ideas to communicate public policy? There are not too many and that is another credit to the national round table.

Mr. Speaker, you might think I am trying to take advantage here today but I am not. I have to mention another project it organized. It is with the same company, Hostess Frito-Lay. It has this *Environmental Citizenship, Take the Pledge, We did it* campaign.

It says that Hostess Frito-Lay is pleased to be working with the National Round Table on the Environment and the Economy to promote sustainable development and environmental citizenship in Canada. They have the citizenship pledge: "We will continue to reduce, reuse and recycle. We will be efficient in the use of our energy resources. We will do our part to conserve, protect and nurture the air we breath, the water we drink and the land on which we live", and on and on.

• (1645)

An hon. member: Pass that around.

Mr. Mills: Okay. Can the pages pass these around to my NDP friends?

The Acting Speaker (Mr. Paproski): That would be very nice, but we will not have it here. Outside the curtain.

Mr. Mills: Mr. Speaker, it is the entrepreneurial marketing background I have. When I see an agency of government that is using private sector techniques of communicating public policy I get excited. When I think of the millions of packages of Hostess Frito Lay potato chips sending out the message of sustainable development, I know many people in this House might think that would probably be a bit of a gimmick in terms of communicating public policy. I happen to believe it is a good approach. I think it is a good approach that we are using Canadian artists on videos to communicate our message.

Mr. Speaker, obviously you can tell I am in full support of this piece of legislation. In one month I find myself supporting the government on the Small Businesses Loans Act and now on an issue related to the environment. I am getting nervous here. I have agreed with the government on two bills in the last three weeks.

At any rate, the National Round Table on the Environment and the Economy's approach to joint venturing many of its projects and getting private sector support is a very good one. It is a technique that we in government should adopt as we are forced, because of fiscal constraints, to be much more accountable and responsible with taxpayers' money.

We also know of the work it is doing in trade shows across Canada and in schools. We know of the work it is doing when it goes into businesses across the country. I think it is the kind of initiative we must get behind. We must give this department, which will be an agency of government, our full support.

I have declared my relationship with certain members of the round table: Ann Dale, Ron Doering, Dave Baslow and Patti Bacon. These are people who are passionate in their belief and service to the community on this issue. The fact that they are using all these different techniques will go a long way toward exciting and galvanizing the commitment of our country toward this very important and really only issue right now, saving the planet. We have an agency of this government that is going to be committed to using all the contemporary techniques of communication. The members who are sitting at the round table have substantive expertise in helping develop policy for all sectors of the economy with regard to sustainable development. I think it is a great initiative.

Despite the fact the legislation might have been a little late in getting to the House the bottom line is they have been doing all this work as if the legislation had been approved.

We co-operated with the minister responsible for small business last week on the Small Businesses Loans Act. I tried to call that office the other day to get some support in communicating this initiative which is a good one for the government. The department said it had not been approved by the Senate and I should not be out there promoting a piece of policy that has not been approved. I was sick when I heard the response from the officials when they said I could not promote something that had not gone through the Senate when we know the government controls the Senate right now.

• (1650)

Here is an agency of the national government that has been working as if it had legislation for the last year and one-half. It has been doing all these things. I have enough books, chips, videos and tapes here I could probably fill a small library.

It has been doing good work and I am happy to stand up here and support this initiative. I hope it will carry on and I know it will continue to use the same spirit and passion to keep spreading its message. We on this side of the House are only too proud to encourage it to continue.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I appreciate the opportunity today to speak on Bill C-72, the act which will bring us the National Round Table on the Environment and the Economy.

The first reading was April 10, 1992 almost a year ago. While the hon. member for Broadview—Greenwood indicates the committee has been working since then or even before that, the round table was anxious to see this legislation dealt with by this House some time ago. I am quite disappointed it has taken this long for us to get here.

Canadians and particularly environmentalists are quite confused by the federal government's desire to entrench in legislation the National Round Table on the Environment and the Economy. They are confused first because of this government's embarrassing record of trashing advisory councils and bodies, particularly those that might offer creative and accurate criticism of this government's policies and practices. The second reason is this government's track record on the environment.

In March of last year in an astounding display of public paranoia and economic mismanagement, the government did away with 46 government agencies in one way or another. The March budget of last year proposed to axe 21 federal government agencies, boards and advisory bodies and merged, privatized or deferred another 25 agencies.

Winding up government agencies and privatizing have been the big business buzz words of this government's efforts to sell out the Canadian people's future at bargain basement prices. Cuts to jobs and services have led to wounds in our environment, which include our economy. For example the Law Reform Commission was axed, the commission that provided independent advice to the Minister of Justice.

It is interesting to note the Law Reform Commission was axed only two months after issuing a report on aboriginal peoples and criminal justice with which the minister disagreed.

The government also ended the Science Council of Canada just when Canada so desperately needed to improve its research as well as core basic scientific research which has been so devastated by this government and the former Liberal government before it. It will set Canada way behind in the international scene of future innovation and development for years to come.

Curiously, the government also wiped out the Economic Council of Canada which had become increasingly critical of this government. In fact it had suggested some courses of action which might have tread however lightly on the toes of the narrow interests of the big multinationals which fund the Conservative and Liberal Parties at election time.

Now even more curiously this government is moving quickly to entrench in legislation a new advisory body, research and public awareness body so similar in purpose to so many done away with by this government. It did away with them in its blind drive to buy back votes from the right wing Conservatives, cranky with the government and eyeing the ultra right Reform Party as a safer haven for destructive economic and social policy.

Canadians and environmentalists are asking why the government is moving ahead with the National Round Table on the Environment and the Economy at this time? Is it because the National Round Table on the Environment and the Economy has been unable to function effectively without the legislation? No, Mr. Speaker. Currently there are functioning round tables, not only at the federal level but also in every province and territory in Canada. Only one is enshrined in legislation. That one, by the way, was legislated when the Yukon had a New Democratic Party government. That legislation made sense as it is one of the many steps taken by a tremendously pro environment government which has also passed Canada's first environmental bill of rights.

• (1655)

Again I ask the question, is it because the National Round Table on the Environment and the Economy has been unable to function without legislation? No. The National Round Table on the Environment and the Economy has been able to function without legislation. It has produced publications, several of which I have had the opportunity to read and use in my own work. One, the five book series leading up to the Rio conference entitled *The National Round Table Series on Sustainable Development* was of particular interest. The Round Table's regular newsletters on issues like biodiversity and other joint products have gone ahead unimpeded by the fact the round table was not enshrined in legislation and has played a useful role.

Can it function without legislation? Sadly, the reasons for the government moving ahead with all this are all too clear. The government has placed the environment way down on its agenda and seeks to put on a greener face by passing such bills as this one while reducing its commitment in other areas. The ones with the truly green faces are the environmentalists and Canadians who have turned a sickly shade of green with nausea over this federal government's inability to protect and preserve the environment for future generations. Canadians are still waiting for legislation to drag environmental assessment out of the 19th century.

Bill C–13 where are you? Perhaps the first act of the newly legislated round table might be to send out a search and rescue team to find out where Bill C–13 is, so extensively rewritten by environmentalists and New Democrats during the process that led up to its passage in this House during an excellent session of committee hearings.

Maybe this newly entrenched round table can find this piece of legislation which has gone missing somewhere between justice and environment departments in this government's toxic cabinet. If the round table finds the environmental assessment legislation currently missing in action, perhaps it can put it to use in dealing with the Northumberland link in Prince Edward Island, or in fact even dealing with legislation like the North American Free Trade Agreement.

If it can find Bill C–13 and put it into action maybe it can find another missing treasure too. Maybe the round table can find all the funds committed to the environment in the green plan. All Canadians have seen so far is old money being reshuffled over and over again and given a new coat of paint to appear as if the environment is really being made a priority.

The government knows full well that our air, water, land and wildlife are not only threatened, they are sick and dying. Yet this government's green plan to date has offered more disappointment than hope to the growing number of environmentalists from coast to coast. Maybe this round table can find those funds.

What else could the round table do in its research and advisory capacity as outlined in the section dealing with purpose and powers in clauses 4 and 5 of the bill? Does it truly help the environment beyond calling for an election to defeat this noxious government and its economically and socially toxic effluent it calls its policy. Maybe such a newly entrenched body, in fulfilling its proposed mandate to promote principles and practices of sustainable development in all regions of Canada could advise government to move ahead with a bill of rights on the environment. I would like to go beyond just suggesting what this round table and government might do. I am willing to help as well.

As you know, on June 5, 1991 I introduced a motion in this House to establish an environmental bill of rights to empower Canadians to fight polluters and guarantee all Canadians the right to live in a healthful environment. This bill of rights would finally enable Canadians to sue polluters, allowing us to truly become caring stewards of our own land. Perhaps in fulfilling its mandate outlined in Bill C–72, the round table could use clauses 4(b) undertaking research and gathering information and analysis on critical issues of sustainable development to

deal with global warming. Most of this has already been done. We know global warming continues to worsen.

We know that the ozone has deteriorated to the point that the Minister of Environment has warned children not to play in the sun. We know that the government refuses to clamp down on business.

I see that my time is almost up. I would like to say that energy efficiency, recycling, sewage and water, CFC recycling, reinstituting railway use, major clean-up and ecological renewal initiatives should be sound advice which this round table could provide to the government. Perhaps the most green of of solutions could be that the round table would advise that this government, this toxic government, should resign and call an election so that the next government can have—

The Acting Speaker (Mr. Paproski): The next time Bill C-72 reaches the Chamber, the hon. member will have 10 minutes remaining in his speech plus 10 minutes questions and comments.

It being five o'clock p.m., pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Monday, December 10, 1992 consideration of Bill C-227, an act to amend the Criminal Code (desecration of the flag) as reported (with amendment) from the legislative committee; and Motions Nos. 1, 2 and 3.

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, I think you would find consent for the following motion.

That the order now before the House be discharged and that Bill C-227, an act to amend the Criminal Code (desecration of the flag), be referred back to a legislative committee for the purpose of reconsidering clause 1, and

that the legislative committee on Bill C-227 be reconstituted for the purpose of this reconsideration.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

Motion agreed to.

Mr. Edwards: Mr. Speaker, on a point of order, I believe that we normally at this point proceed to the Adjournment Debate of the House. However I am informed that the participants in that debate, while they have been called, have not yet arrived.

I would propose that if Your Honour approves and the House approves that we might consider suspending until those individuals are available.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some hon. members: Agreed.

SUSPENSION OF SITTING

The Acting Speaker (Mr. Paproski): I shall suspend the sitting to the call of the Chair, hoping that maybe the parliamentary secretaries and the members who are watching us here in the Chamber will hurry back to the Chamber so that we can perform our duties.

The sitting of the House was suspended at 5.02 p.m.

SITTING RESUMED

The House resumed at 5.34 p.m.

PROCEEDINGS OF ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

EXTERNAL AFFAIRS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I rise to pursue a question which I have asked in the House on a number of occasions of the Secretary of State for External Affairs concerning the tragic plight of two young Canadians, Christine Lamont and David Spencer.

I am sure that members of this House are well aware of the fact that Christine and David were victims of a harsh and quite unfair Brazilian justice system which resulted in sentences of 28 years of imprisonment for each of them.

That would be bad enough but in addition, because of the lack of response of the Canadian Secretary of State for External Affairs, their injustice at the hands of the Brazilian system has been compounded by the injustice of their own Canadian government.

I am sure that Canadians from coast to coast to coast have rallied to speak out in support of Christine and David in their struggle and I really want to pay tribute to those Canadians and in particular to the families of Christine and David who have waged a tireless and energetic campaign on their behalf.

The Standing Committee on Justice and Legal Affairs has twice urged the Secretary of State for External Affairs to finally recognize the injustice of the situation and to seek the remedy of expulsion which is provided by the Brazilian constitution. The minister has refused to do so. She wrings her hands and says we are waiting for the transfer of offenders treaty to be ratified. Then she says she is waiting for the appeals to be dealt with and it will be done soon. Meanwhile, we are still waiting for that transfer of offenders treaty. The appeals which were supposed to be heard this week we are now told will be heard some time, maybe next week. The support for Christine and David grows. Meanwhile, the threats to their health and safety are even greater.

I was very pleased to note that recently, just in early January, representatives and leaders of four Canadian churches wrote to the Prime Minister urging that the Prime Minister do the right thing and seek expulsion. The original letter was written by Archbishop Edwin Lackey the day before his sudden death on behalf of Archbishop Marcel Gervais, the Roman Catholic Archbishop of Ottawa and the chair of the Catholic Conference of Bishops. It was signed by the Moderator of the United Church of Canada and the Moderator of the Presbyterian Church of Canada as well. They have not even had the courtesy of a reply.

This injustice demands a response from the Secretary of State for External Affairs. Brazil has said it does not understand why the Canadian government has not made a request for expulsion. The former minister of justice, a very respected individual, Mr. Harbez Piccarino, recognized the injustices in the case and he has recommended expulsion.

The time that Christine and David have already spent in prison would qualify them for a parole if they were eligible for parole. As foreigners they are not eligible for parole, however. These sentences are cruel and unusual treatment. The original convictions were an appalling injustice.

The Secretary of State for External Affairs, who apparently is thinking about seeking the leadership, of becoming Prime Minister of Canada, cannot even act on behalf of two young Canadians, Christine Lamont and David Spencer, who are entitled to justice. She does not even deserve to be Secretary of State for External Affairs, let alone the Prime Minister of Canada.

I want to again take this opportunity to appeal through you to the government to recognize the injustice of the situation of Christine and David, to heed the unanimous appeal of the Standing Committee on Justice and Legal Affairs and to at last, finally, seek the expulsion of Christine and David from Brazil so they can return home to their loved ones.

These young Canadians are respected individuals. They have no criminal record whatsoever and a terrible injustice has been done. I hope that this government will finally show the leadership it so far has been lacking.

[*Translation*]

Mr. Jean-Guy Guilbault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I would like to commend the member for Burnaby—Kingsway, who sits with me on the external affairs committee, for his interest in the case of these two young Canadians outside the country who are detained through a miscarriage of justice.

The Secretary of State for External Affairs set out her views on this case in letters dated August 13 and December 8, 1992 to the chairman of the Standing Committee on Justice and the Solicitor General.

• (1740)

It cannot be assumed that if Canada asked for the expulsion of Christine Lamont and David Spencer, it would be granted automatically. While the Brazilian President has the discretionary authority to grant expulsion, it has been emphasized to us that there is a clear distinction between the authority as set out in the Brazilian constitution and the practice according to which the authority is exercised.

We have been told that in principle, expulsion would not be granted while appeals are under way or before the convicted prisoner has served his or her sentence.

We have also been told that the Brazilian government would not agree to expulsion in these circumstances because it would amount to unwarranted interference by the executive branch of government in the affairs of the judiciary and would discriminate against the other defendants who would not be released or expelled.

On many occasion, the Secretary of State for External Affairs has expressed concern over the severity of the sentences received by Miss Lamont and Mr. Spencer. These sentences, and the convictions themselves, are being appealed in the Brazilian courts.

The Canadian embassy in Brasilia has been working actively to ensure that both the appeal of the convictions and the appeal of the sentences move forward as quickly as possible. The Brazilian courts are now in session. The embassy will continue to do all it can to ensure that the appeal process keeps moving expeditiously.

The embassy's efforts to hasten the ratification of the transfer of offenders treaty between Canada and Brazil which was signed last July 15 have also been achieving some success. The treaty would enable Miss Lamont and Mr. Spencer to serve the rest of their sentences in Canadian facilities, where they would be subject to Canadian parole laws. As you know the treaty was approved by the Foreign Relations Committee of the Chamber of Deputies in December and will be considered by the Justice Committee when it reconvenes under a new chairman this month.

The embassy has been assured of support for the treaty both in the justice committee and in the Senate which will consider it following approval in the justice committee.

[*English*]

WESTRAY MINE DISASTER

Mr. Howard Crosby (Halifax West): Mr. Speaker, in questioning the Prime Minister on December 1, 1992 I wanted to address some of the concerns that have arisen in Nova Scotia and across Canada with respect to the tragedy in the Westray coal mine in Pictou County, Nova Scotia.

For the record let me express the sympathy shared by all Canadians for the widows, families, and friends of the 26 miners whose lives were ended by the mine explosion that occurred at 5.20 in the morning of May 9, 1992, another tragic day in the bitter history of coal mining in Nova Scotia. These brave men will not be forgotten but their memories will be preserved with those who perished at Springhill, in Cape Breton and elsewhere in mining disasters.

I hope what I will now say will not in any way add to the grief or detract from the hopes for the future of our mining families. Let me begin by stating my concern for and solidarity with these family members and friends who seek a just accounting for the Westray disaster. I am shocked and disturbed by the chain of events that left widows, parents and children asking whether there is any justice for them and the deceased miners.

Even recognizing the needs of people and even realizing that only employment opportunities will satisfy many of these needs, let me say clearly and categorically it is my view that Westray and its parent corporation, Curragh Resources Inc., must be separated totally and completely from government funded mining operations in Pictou County. I can envision no hope whatever that this organization can resolve the problems associated with management of this coal resource and I can see nothing but grief from continuing the involvement of Westray and Curragh.

Let me be very specific. Not one more cent of taxpayers' money, federally or provincially, should be directed to Westray or Curragh. Certainly the $16 million apparently available from insurers should be held for the benefit of the people involved in the mine operation and not the corporate owners. In fact the appropriate government authorities should separate Westray and Curragh from the mine assets and seek recovery of the moneys lost from whatever assets the corporations may have left.

I ask simply: How can a corporate organization cause a taxpayers' loss in the area of $100 million and still claim dominion over a public resource?

Let me state some other points related to the Westray mine disaster that must shock the grieving families and demand public attention.

First, Curragh sought to dispose of the Westray mine in November 1991 according to *Maclean's* magazine in order to improve its financial position, showing that the corporation had no real commitment to Nova Scotia or its people.

Second, there is mounting evidence that the coal resource cannot be mined economically without real risk to the lives and safety of miners or without further massive government aid that would be better utilized elsewhere.

Third, if there is a determination to mine the coal seam at Plymouth it is clear that the operation should be turned over to an organization with an established record for safety and fair employment practice.

• (1745)

Now let me address what has become the unfortunate politicization of the Westray tragedy. When the explosion occurred the premier of Nova Scotia immediately responded by saying there would be a full and complete public inquiry by way of a royal commission. This action by the premier has proved to be as destructive and demoralizing as the mining tragedy itself. Let me tell the House why.

First, the premier of Nova Scotia must have known that the provisions of the Coal Mines Regulation Act require an immediate investigation of a mine fatality and a report on the apparent cause. Had this statutory process proceeded there would have been a factual and public report that could have been examined and then amplified by subsequent further inquiry.

Second, it is inexcusable that the premier's advisers were not aware of the Supreme Court decision in the Patricia Starr case. This case received national attention and severely restricted public inquiries in circumstances that might produce criminal charges. From the very beginning there was an indication that criminal negligence was involved. The province should have known a broad based inquiry beyond the Coal Mines Regulation Act would be derailed by the courts.

What is left for the grieving families and the public? Over the months an RCMP investigation was announced and charges were laid under provincial safety laws and later stayed. The over-all impression is one of legal incompetency on the part of ministers and officials. Criminal negligence is a simple charge under the Criminal Code involving only proof of legal duty to act carefully and evidence of wanton or reckless disregard for life in performing the duty.

Here are my recommendations: Get rid of Westray-Curragh, make the case for criminal negligence, find another mine operator. Let me add this. The royal commission, whatever its good intentions, will add nothing to solace the widows and families of the deceased miners and it will not benefit those who follow them.

[*Translation*]

Mr. Jean-Guy Guilbault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I thank the member for Halifax West for his question. I would like to commend him for his interest in this issue.

The federal government provided assistance to Westray principally in the form of loan insurance as well as an interest rate buy-down on that same loan. The assistance was provided because the development of the mine, with its potential to create approximately 240 new jobs, was a regional development priority for the government.

Our involvement was strictly financial in nature. The extent of the federal government's jurisdiction with respect to this project was limited and did not include mining regulations or occupational health and safety issues.

The regulation of mines, under the Constitution is a provincial responsibility and pertains to all aspects of mine plan approval and monitoring. The only exceptions are the Cape Breton Development Corporation and uranium mines.

The Government of Nova Scotia established a commission of inquiry with the mandate to examine events leading up to the accident and to establish the cause of the accident. In order to assist the commission the federal government undertook the enormous task of compiling and cataloguing all federal government documents related to the Westray project. This involved 24,000 pages of documents dating back several years.

Prior to the constitutional challenge of the commission 8,000 pages of closing documents had been released. Initially, the Nova Scotia Supreme Court ruled that the commission, under its original terms of reference, was unconstitutional.

The decision was appealed by both the miners' union and the Nova Scotia government. In the ruling by the appeals division of the Nova Scotia Supreme Court in January 1993 the status of the commission was confirmed as valid. Once the criminal investigation by the RCMP is complete and any subsequent charges are dealt with the commission will be free to resume hearings.

The federal government will fully co-operate with any agency mandated by the Government of Nova Scotia to find the causes of the accident at the Westray coal mine.

[*English*]

INDUSTRIAL RESEARCH AID PROGRAM

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, in his financial statement of December 2 the Minister of Finance said the following: "Funding will be increased for the highly successful Industrial Research Assistance Program which provides technology support and financial assistance to businesses".

On February 25 I quoted that to the Minister of Finance and asked him why the estimates showed that the Industrial Research Assistance Program was cut by $1.333 million.

• (1750)

The answer to the question was provided by the Minister of State for Science who said that there had been an increase of $14 million for science and technology. That was a very interesting answer because it did not refer to the Industrial Research Assistance Program at all.

On February 26 I repeated that question quoting again from the December 2, 1992 statement and we got this peculiar answer from the Minister of Industry, Science and Technology.

I tell my hon. friend that we were both right yesterday. First, S and T funding has gone up considerably over last year. He still did not answer the question about IRAP, but I did point out that if there were in fact a $14 million increase in science and technology in the face of an over-all rate of government expenditures of approximately $5 billion, that really did not amount to very much.

The minister of state came back to answer the question of what happened to the funds that were promised for IRAP and indicated that IRAP spending would be the same or up. "This is a very important program", he says. "I agree with the hon. member. We are defusing technology in an unprecedented way. It is a core part of what we are trying to do under S and T."

He says he is going to somehow backfill IRAP in order to bring it up, if it is going to go up. Moments ago after many calls to the minister's office we got what he was referring to, and what he was referring to was the National Research Council estimates which from the 1992–93 Main Estimates to the 1993–94 estimates indicate about a $14 million increase in grants and contributions.

However, that is not an answer to the question about expenditures in science and technology because if we look at science and technology generally there have been a number of cuts, not the least of which was the revocation of the 4 per cent increases given to the granting councils, in addition to the decrease in IRAP, the $13 million cut in the DIPP, the $4.75 million cut in NSERC—that is beyond the 4 per cent revocation of an increase—and the SSHRC budget was cut by $582,000. If he is talking about science and technology surely the answer he has provided to me today does not answer the question about science and technology.

I really would like somebody to answer the question: How is it the Minister of Finance promised an increase in IRAP but in fact IRAP was cut? I want to know why there is this inconsistency. I do not want another *non sequitur* as was provided by the Minister for Science. I do not want another *non sequitur* as was provided to those others in this adjournment debate who have been trying to get clarity in response to their questions.

If the parliamentary secretary is going to do the same to me as he did to them, he can spare his time because it will be a non-answer. We will still not understand why the minister made his promise and failed to meet it.

Mr. Jean-Guy Guilbault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I thank the hon. member for Windsor—St. Clair for his question. I am pleased to have the opportunity to speak on behalf of the government on this important program.

There is no doubt the National Research Council Industrial Research Assistance Program, IRAP, is an outstanding success that we should build upon. Few people in Canadian industry would question IRAP's significant benefits in terms of jobs, exports and new technologies. Although IRAP could clearly do more with increased funding, it is important to note that IRAP has done extremely well during a period of strict restraint in government spending. Not only has it been maintained but it has received increases in its funding. An allocation of the additional $27 million was announced last year.

Additional funding and strengthening of IRAP's role were also among the commitments made by the Minister of Finance in his December economic statement. Although this new funding is not included in the Main Estimates, decisions on the price levels will be made soon and will be announced in due course.

• (1755)

This will be a substantial recognition of our values and potential. Two years ago some concerns were expressed over the new strategic plan on the program. But evidence now shows that the plan was the right way to go.

Our most recent annual report shows a 5 per cent increase in the number of its projects. There is improvement in efficiency and a clear focus on IRAP's premier clientele for small and medium size businesses. IRAP is now in a good position to assume an even stronger role in building national competitiveness.

The government has already committed itself to ensuring that IRAP has the power and the resources it needs.

PEACEKEEPING

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise to follow up a question I asked of the Minister of National Defence on peacekeeping. I appreciate that in Question Period there is a very short time for questions and indeed for answers.

I felt it necessary to follow up on this because I have a legitimate concern and whether it trends out or not is to be seen as the history book unfolds. I am not claiming to be any visionary but I do see certain trends that bother me. I am speaking out tonight because I am not sure there has been a total recognition of the two conflicting trends that bother me.

The first one is on the subject of peacekeeping and the very fact that in the last four years we have seen as many peacekeeping operations take place as we have in the last 40 years. That is an indicator in itself.

There is the very fact that at last count we have 179 countries in the world today. Of these countries, only 10 per cent of them have any homogeneity in their populations. Of that 10 per cent, only half have ethnic groups that account for 75 per cent of the population. In other words, most of these countries have very small, chopped up ethnic groups. We are seeing it in the world today. We are seeing what amounts to tribalism. It is not a question of countries fighting countries; it is a question of tribes fighting tribes. Sometimes they forget why they are fighting.

If you add to this an increasing problem with social intolerance, cultural and ethnic intolerance, I believe you are going to see the requirement for more and more peacekeeping operations throughout the world. Not only will it be more peacekeeping operations but different kinds of peacekeeping operations. We have already seen a deviation from the standard peacekeeping operation like that in Cyprus to now what is certainly the edge of peacemaking, humanitarian support, food control and that kind of thing.

The point I am making is that peacekeeping is increasing and the nature of peacekeeping is increasing.

Another point is that I believe, as this continues to increase, like-minded countries are going to have difficulties coping with this.

We now have roughly 4,500 troops participating in peacekeeping operations. Canada has participated in every single one of them and I think that is great. Our contribution to international peace is laudatory. Soon the time will come, and I believe we are very close to it, closer than we would care to admit, where we will not be able to participate. I believe that for the following reasons.

At the time we were preparing for the cold war. This is nobody's fault. You cannot plan for uncertainty and be right all the time. Three years ago we decided to close our bases in Europe. We decided to reduce the army by around 4,000 and we took other measures with respect to equipment.

As the facts show those decisions perhaps in retrospect were not the best ones. The fact remains we did take those decisions. Another decision was the total force concept where we used more reserves to make up the standing army and navy. A good decision. It was a good one and continues to be good.

Right now, because we are short of regular force troops, we have three major army groups deployed right now, 4,700 troops. We had only planned ever to have 2,000 when we had 4,000 more soldiers. That in itself is a very dangerous trend.

We are going to have to have a very close look at the increasing demands on our peacekeepers. We are going to have to have a look at the difficult areas we are getting into with respect to the number of regular force soldiers we have and what level at reserve and militia force should we supplement them.

There is also the equipment. I just came from a defence committee meeting where there was some concern shown by the expert witness on the kind of equipment we have, whether it was the right kind of equipment and whether or not it was deployed in the right manner.

In summary and conclusion of my remarks here this evening, I would like to ask purely and simply and in a non-partisan manner that the Minister of National Defence be cognizant of the increasing trend and the demand on Canadians because of our expertise and record in peacekeeping. She should look at the trend on decisions that were taken which would permit us to less and less be able to contribute to more and more. She should take cognizance of that and respond with perhaps a new defence statement or new priorities of defence that will show how we are going to cope with that. Before we commit any other sizeable groups of Canadian soldiers, sailors or airmen I believe that there has to be a full discussion in Parliament.

[*Translation*]

Mr. Jean-Guy Guilbault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I want to thank the hon. member for Bonavista—Trinity—Conception for raising this important matter and I welcome this opportunity to respond on behalf of the Minister of National Defence.

The priorities identified in our defence policy published in April 1992 are based on our commitments to the defence of Canada, domestic security, arms control and disarmament, and peaceful dispute settlement.

In a field in which Canada has been active for the past 40 years, our peacekeepers have acquired a reputation for professionalism that is recognized the world over. Our contribution to UN peacekeeping operations is a source of great pride to the members of our armed forces.

It is an indication of the trust we enjoy on the international scene and of the support in this country for our efforts to maintain world peace. It is true that certain specialties are in great demand. Nevertheless, our regular and reserve forces are capable of meeting our various commitments. As for the ability of our reservists to perform their duties in the armed forces as a whole, so far we have had no trouble finding the necessary numbers to bring our regular forces up to the strength required to perform these missions effectively.

At the present time, the system works. Peacekeeping operations are reviewed regularly which means that resources assigned to the various missions are reviewed and modified as appropriate.

[*English*]

At the moment there are some 4,700 Canadians taking part in peacekeeping operations around the world. Of these, approximately 475 are members of the reserve. Under total force, increasing numbers of reservists will be available to take part in peacekeeping operations. These troops are well-trained, prepared members of the Canadian forces and ready to serve alongside their regular force counterparts under any circumstances.

As evidence of our commitment to making total force work, in 1993-94 total expenditures of the primary reserve will rise by nearly $46 million over the forecast in the current financial year. This is a 6 per cent increase. In addition capital expenditures of the primary reserve will rise to 25.6 per cent of the total reserve expenditures, up from 16.1 per cent in the last fiscal year's estimates.

The purchase of new equipment will ensure that the Canadian forces, reserve and regular alike, will have what they need to fulfil their roles, both at home and abroad. Important acquisitions include many types of equipment which will be used to ensure the safety of our troops on peacekeeping operations.

[*Translation*]

I will repeat what the Minister of National Defence said not long ago when she appeared before the Standing

Committee on National Defence, namely that the government is considering some new approaches to participation in peacekeeping missions throughout the world.

Again, I wish to thank the hon. member for raising this question which is of interest to us all. I trust I was able to provide the requisite clarification.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.04 p.m.

HOUSE OF COMMONS

Friday, March 12, 1993

The House met at 10 a.m.

Prayers

[*Translation*]

EXCISE TAX ACT

MEASURE TO AMEND

Hon. Bernard Valcourt (for the Deputy Prime Minister and Minister of Finance) moved that Bill C-112, an Act to amend the Excise Tax Act, the Access to Information Act, the Canada Pension Plan, the Customs Act, the Federal Court Act, the Income Tax Act, the Tax Court of Canada Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and a related Act, be read the second time and referred to a legislative committee in the Economics envelope.

Mr. Jean-Marc Robitaille (Terrebonne): Madam Speaker, I am pleased to speak on second reading of Bill C-112.

This bill contains amendments that were proposed in the notice of Ways and Means motion tabled on December 9, 1992. It contains refinements to the goods and services tax that have been developed through extensive consultations with businesses, organizations, tax professionals and individuals during the first two years that the tax has been in place. These measures reinforce the government's commitment to the smooth and efficient operation of the GST.

With a major tax reform such as the replacement of the federal sales tax with the GST inevitably refinements must be made to the system as the government and the private sector together draw on the practical experience of seeing the tax at work in the marketplace.

The proposed amendments are technical in nature. As such, they do not substantially alter the way in which the GST operates. But this does not diminish the importance of this legislation, for these measures represent a rigorous fine tuning of the details of the tax. They simplify GST compliance across many sectors of the economy.

Over the past two years since the GST was implemented we have actively consulted industry associations, organizations and businesses, large and small. We responded to their suggestions with concrete proposals on how to improve the operation of the tax in specific industries.

• (1010)

Allow me to mention just a few examples of the changes that are contained in this bill. Following consultations with the Canadian taxi-cab industry the government proposed adjustments to the operation of the GST in this industry so that it could use a consistent pricing structure.

We heard representations from direct selling organizations whose sales contractors sell household goods door to door. As a result of these discussions we are proposing new rules under which hundreds of thousands of independent sales contractors do not have to register and file GST returns.

For retailers the bill contains amendments that would simplify the operation of the tax for a wide variety of special types of transactions, ranging from the treatment of discount coupons to the treatment of returnable beverage containers. In addition, simplified rules have been designed specifically for situations where retailers make purchases through buying groups. These special rules would significantly reduce the amount of paperwork that would otherwise be required under the normal rules of the tax. These changes have also been supported by associations representing manufacturers and distributors of grocery products.

We also introduced changes simplifying the operation of the tax in areas where activities are often undertaken by joint ventures. These proposals have been supported by the oil and gas industry.

The improvements to the tax system that are reflected in this bill will make Canadian industry more efficient and competitive, both in foreign and domestic markets. For example, there is a proposal that would improve the competitive position of service exporters by allowing them to import goods for servicing without having to pay tax on the importation.

In addition, the bill provides broader relief under the tourist and foreign convention rebate program, a program that is already unequalled among other countries that have similar tax systems. This would enhance the competitiveness of our tourism and convention industry by helping to maintain the attractiveness of Canada as a destination for foreign visitors.

These are not the only measures that would strengthen the international competitiveness of Canadian suppliers. We received representations from businesses requesting changes to the GST to facilitate the export of goods and services by these companies to their foreign customers. In response to these representations this bill proposes refinements that will be particularly welcomed by auto parts manufacturers in southern Ontario centres such as Windsor and Oshawa.

The Bill also contains proposals that would directly benefit consumers in need. These include additions to the list of tax-free medical devices and prescription drugs.

Finally, the government is also proposing a special credit for certified institutions that employ mentally or physically disabled individuals. This credit was designed in recognition of the unusually high costs faced by these institutions during the transition to the GST.

This bill contains proposals to allow Canadians who live year-round in travel trailers to rent their trailer sites on a tax-exempt basis, thereby providing them with the same treatment as other residential tenants. In addition, this bill provides a simpler and more generous GST housing rebate to individuals who build their own homes.

The measures included in this bill improve upon the operation of the GST in the retail, farming, oil and gas, export and tourism sectors, to name but a few.

• (1015)

This bill makes the tax fairer for tenants and homeowners alike, and helps consumers in need. All of these stand to benefit in one way or another from specific amendments contained in this bill.

An important objective of the government is to simplify compliance with the tax system, especially for small businesses. To this end the bill contains measures that would allow for greater flexibility with respect to reporting requirements. These measures include a plan that would make it easier for up to one million businesses to file GST returns only once a year.

The Bill would make the GST not only simpler but fairer for businesses. It gives the Minister of National Revenue discretion to waive penalties and interest in cases where someone is unable to file a return or make a remittance on time due to extraordinary circumstances beyond his or her control.

When this legislation was in draft form it was studied by tax experts. It is indeed noteworthy that they applauded the many streamlining improvements and clarifications contained in it. They have also urged speedy passage of the legislation in order to reduce uncertainty in the application of the tax.

In closing, I would like to emphasize that this bill is the result of extensive consultations with businesses, organizations, individual Canadians and their professional advisors. We have worked together to identify specific problems in particular areas of the GST and today we are proposing workable solutions that are tailored to the realities of today's marketplace.

This bill reflects representations made by members of all major parties on behalf of their constituents. It corrects anomalies and clarifies the application of the tax laws. Therefore I urge hon. members to give their full support to this bill and to ensure that it is approved as soon as possible, because these adjustments will make life easier for many people.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I listened to the hon. member on the government side while he was giving his speech and I heard the words: a simpler GST, a fairer GST and the fact that the government was working together with business in refining the GST.

Here we are almost three years later with 350 pages of simplification. This whole GST operation by the government has been the worst initiative that any government has ever perpetrated on a people.

Today people want their politicians to focus on one issue: putting people back to work. That is the priority issue. Whenever an initiative or a bill has come before this House that would help in any way, shape or form to put people back to work we on this side of the House have co-operated.

Madam Speaker, two weeks ago you were sitting in the chair when we debated the Small Businesses Loans Act. It was a Friday, it was third reading, but I can remember we also sat on the previous Tuesday. We worked with the government uninterrupted for 10 hours to make sure the Small Businesses Loans Act was put through this House in record breaking time so that it would be an instrument to assist the small business community, the 960,000 businesses whose sales are under $5 million. We, the Liberal Party of Canada, co-operated with the government. We applauded the government for this initiative. Small businesses can go to their local financial institutions or credit unions and get a Government of Canada loan guarantee of up to $250,000.

• (1020)

When government members from time to time hurl insults across this way suggesting that we are not working with them, that we are not constructive, they cannot say that we did not co-operate on that specific bill, a bill that could put people back to work immediately if properly utilized.

I have observed two things since that bill was passed. First, the government made a commitment that it was going to promote the bill, that it was going to make sure the small business community knew about it. I know in my own community I sent at least five small businesses to the local banking institutions. I can tell you five for five, they came away with no help at all from the banking community. Either the banks did not know about it or they did not care to know about it and this government was sitting when it made that commitment.

The second thing I noticed—and then I am going to come immediately to the bill because it is relevant—was that I thought it was a pretty productive day in the House. We were working together on a very good piece of legislation. However, in all of Canada there was only one small news story on the very important legislation we passed that day, legislation that would give hope to a lot of small business people and a lot of people that had not even started their businesses but wanted to. That is what it was designed for.

I forget what newspaper carried the story, but in my city the only paper that covered it was the *Corriere Canadese* which covered it in Italian. That is important as we have a large Italian community in our city, about 700,000 Italians, but it was not covered by *The Toronto Star*, *The Toronto Sun* or *The Globe and Mail*. It was good news. It was a positive story and the press never covered it. This is the reason why I say to the government that it has to promote the Small Businesses Loans Act.

It is a specific example of the opposition working with the government because it is legislation that will help put people back to work, it is going to be something that could help create more jobs.

Today we have before us Bill C-112. It is sort of the son of the son of GST, three years later. It is another attempt at refining a tax that has done a great deal to dampen and suppress entrepreneurial spirit and consumer confidence in this country. I know in my own riding it has practically cut the restaurant business in half, not to mention what it does to students who tend to work their way through either high school or college by working in restaurants part time. They count on not only this type of work in the restaurant-tourism business but on the tips. It has just gutted the hopes for half-decent, part-time income for tens of thousands of university students right across Canada.

• (1025)

This poorly designed GST has brought further red tape to all the small business community in Canada, surprising for a Conservative government which tends to be a little bit more sensitive, which is supposed to be more sensitive to business. It has throttled people with this bureaucratic nightmare of a GST. Here we are three years later with some amendments, some refinements.

This bill that the government has put forward is proof positive of what we have been saying about the complexity, about the unfairness and about the inefficiency of the GST during the last three years. The government is now admitting, three years later, that what it had really was not that great.

My leader three weeks ago said that this GST will be scrapped. Make no mistake about it, the GST will be scrapped if we are given the trust to run the Government of Canada.

When we talk about scrapping the GST, the most common question we hear from the other side, from the street or sometimes from journalists is: What are you going to do to replace the $15 billion worth of revenue that the GST delivers? What is the Liberal Party of Canada going to do to generate the $15 billion?

For starters, this GST has done much damage to the retail business in this country. It has done much damage and caused much unemployment and welfare. Yes we have had a world recession, but this GST has exacerbated the confidence problem in this country. Therefore, when we talk about revenue this tax has caused a situation where our welfare and unemployment insurance payments, including interest rates, are over $30 billion.

If you developed a fair tax system in this country and if you put 400,000 or 500,000 people back to work you could find $15 billion within four or five months, not to mention the fact that we would start giving people back their dignity. We have to understand that there are close to two million people in this country who are out of work.

I cannot imagine a single member of Parliament in any party in this House of Commons wanting to defend the *status quo* in terms of tax law in this country. In fact I have not met a member of Parliament who believes that the tax act of this country is fair, simple or efficient. We all agree that this 2,400-page document, with its rules and regulations and its exceptions and its exceptions to exceptions, is no longer intelligible. This tax act, combined with the GST, has caused an underground economy of cash deals in this country. Experts estimate that right now there are over $100 billion of cash transactions in this country.

• (1030)

Why do people want to do cash deals? They want to do cash deals because they feel that the current tax system is unfair. Everyone in the country feels it is unfair. Because the GST has exacerbated that feeling of unfairness people collaborate with one another. They say "I will paint your house at half the price if we can do a cash deal". He will pay GST on half that amount because on a cash deal he would not pay any GST. Sometimes it is half cash and maybe a third on an invoice so they pay the GST on the smaller amount. All kinds of schemes are going on in this country right now. That underground cash economy is just out of control.

The question comes to us in opposition: If you are going to scrap the GST what are you going to do to find $15 billion? For the twentieth time in this House of Commons I am going to plead with this government to look at reforming this system. There is an alternative to the GST and there is an alternative to this current tax act. You do not need to defend the *status quo*. This is just one option—there are many—and it is the single tax.

People want accountability. When you have a tax act where there is absolutely minimal accountability, and that is reinforced by the GST because of the underground economy, you have to look at the single tax. What is the single tax? The single tax system essentially would say we have to stop running every aspect of the economy through the tax act of Canada. Right now, for every sector of our economy, whether it is the forestry sector, the mining sector or the environment, we run all kinds of tax preferences, special preferences, through the tax act. We have tax loopholes in this tax act that go back 20 years that have not been reviewed in terms of accountability.

Just this year, two offshore drilling projects cost the taxpayers of Canada close to $2 billion. They did not create hardly a single job in Canada because of a loophole that was buried in that tax act from 20 years ago. All of those tax preferences should be flushed out of the tax act. If any sector of our economy wants a tax grab or a tax expenditure it should go to the line department, justify it and link it to job creation.

Right now there is very little linkage, if any, in terms of the preferences in here and how they are meeting job creation possibilities.

• (1035)

If we had a single tax system in which we basically asked people on the corporate side for 20 per cent of their net income and the same on the personal side—after allowances were made for seniors, families with children, and charitable donations, and we could keep the RRSP structure in place—then that would empower people and get them back on stream. Right now people are running away from the tax act of this country because they can no longer understand it. It is so complex.

The GST has exacerbated that. No matter how many amendments or refinements the government brings in on this bill it cannot make a silk purse out of a sow's ear. The GST is a sow's ear and the Canadian public is never going to accept it. One of the reasons the Canadian public is never going to accept this bill is because the government introduced it at a time when people were on their knees. They were crying out for some hope, looking to the national government for some confidence and it threw this bill at them.

Going back to the single tax, if we have a system which everyone in the country feels is fair then people work harder, they work smarter, and productivity levels rise. When productivity levels rise then that is how jobs are created.

If we could put 400,000 or 500,000 people back to work in the next four to five months and if we could regain some of that underground economy, cut it in half to about $30 billion or $40 billion, just think of the amount of revenue that would bring to this Treasury.

I hear criticism and people asking: Where are you going to get the $15 billion? That is a defeatist attitude. Does the minister want to defend the *status quo*?

This is going to be a great six months, because I love people who defend the *status quo*. The *status quo* is a GST that has exacerbated the underground economy in this country to the point where it is over $100 billion. The Minister of Transport knows that. There are two million people out of work and he wants to continue to promote the *status quo*.

Is the government saying that it cannot do better? The government is essentially saying it cannot improve on the *status quo*. Canadians do not believe that for a second. They do not believe for a second that we cannot regain some of the underground economy. They do not believe for a second that there are not ways to put people back to work.

The problem with this government is that it talks a good deal but it has no action plans. I refer specifically to that Small Businesses Loans Act where the Minister of Finance committed to do something about it and the minister for small businesses committed to do something about it. I called the department this week and it said not to start promoting the Small Businesses Loans Act right now because it has not even gone through the Senate, which the government controls.

That is how much this government really cares about the small business community in this country. The government has this smug and arrogant attitude that it cannot improve on the *status quo*. Canadians are not going to accept it. They want a debate on tax reform.

• (1040)

I am not saying that the single tax is the panacea for this country. I am not saying that it is the only alternative. I am saying that when there are $40 billion worth of tax grants to business in here, which have been mostly put in by lobbyists and people that have been able to influence the Department of Finance, and if the government refuses to review these from time to time and not have some form of accountability then how can it say it is serving the taxpayers of Canada?

Is it telling me that in $40 billion worth of tax grants there is no room to flush some of those out or review them? Does the minister agree with the offshore drilling that happened with two oil companies last year, which cost the taxpayers of Canada $2 billion? How many jobs were created in Canada? That is defending the *status quo*.

I think it is wrong. Canadians know it is wrong and they want a fair, simple and efficient system. Did you know, Madam Speaker, that 80 per cent of the tax returns filed in this country had to be returned because of mistakes made in the system. Does this government want to defend that? If it sits there, smiles and says that it cannot do better then that is defending the *status quo*. Canadians want better. We need better and we can do better.

The government says that we are not constructive, that when something good comes along in this House we do not co-operate. The government fooled me two weeks ago because I really believed that this government was sincere and serious about trying to get credit for the 960,000 small businesses in this country.

This government is not sincere when it makes a commitment to help small business. It brings a bill before this House, gets it before the House, we co-operate, and then nothing happens. That is wrong.

Mr. Domm: That's not the case.

Mr. Mills: The member for Peterborough says that is not the case, but I can tell the House that it is. We co-operated. The member knows it, he was there. I called the minister's office on Monday and I do not want to repeat the answer in this House.

Mr. Domm: Put it on the record.

Mr. Mills: I will put in on the record. I was told that I should not be promoting that bill right now because it has not gone through the Senate. Does the hon. member for Peterborough agree with that? He does not believe that. Do not tell me that the member was not in his riding last week trying to promote and help small business. He was.

Mr. Domm: It's not proclaimed, but it's through the Senate.

Mr. Mills: Another excuse. This is the GST government, the defenders of the *status quo* and it makes these nice announcements before Christmas about the Small Businesses Loans Act. What a great bunch of teasers we have here. They are a great bunch of teasers. They come in today and talk about simplifying the GST; 350 pages of simplification.

In this country today there is a crisis of confidence. We have to do something in order to get the entrepreneurial spirit of this country moving again.

Mr. Domm: You better get your party together.

Mr. Mills: This is what happens when a government has been around for 10 years and we try to make a point on behalf of those people in our community who are crying out for help right now, the 960,000 small business people. We try to make a constructive point on the fact they are not operating the Small Businesses Loans Act, that they are not actioning it, and they come back with smug, arrogant remarks. Instead of making smug, arrogant remarks, why do they not go to their Minister of Finance and their minister for small businesses and do something about it? They are in charge. Why do they not ask them to live up to the legislation that went through this House?

• (1045)

This is one of the reasons people have lost trust in the government. The government has lost its feeling for the pain out there in the community. It has lost feeling for the fact that two million people right now are crying out for help. They want work. They want more jobs. It is not right to laugh. I am not treating this issue lightly. It is serious.

We have a situation today where the government wants us to support a bill to refine the GST. I am totally opposed to the GST. It is an inefficient, unfair tax. Small businessmen despise the GST. They want it replaced. They definitely want to make sure we do it in a responsible way. We cannot just snap our fingers and pull something out of the hat. There has to be a serious debate on tax reform, but they do not want us to defend the *status quo* which the Conservative government wants to defend. We are not going to defend the *status quo*. There is no way. There is absolutely nothing that could ever make me change my attitude toward the GST.

For the last three years I have seen the pain. I have watched people lose their businesses. I have watched retailers lose their stores. I have seen people lose their homes. A leadership change does not matter. It does not matter whether it is the Minister of Finance, the Prime Minister, the Minister of Transport or the Minister of National Defence. This is the GST government. Two million people out there are in pain and have been in pain for the last three years. They are not a mirage. They are real.

Believe me, the people who are working care as much and more about the people who are not working. They think if they ignore the two million unemployed that the ten million or eleven million who are working will support what they are doing to the others. They are making a mistake. It is not going to happen.

There are alternatives to defending the *status quo*. The *status quo* is unacceptable when we have over $100 billion in underground economy. The Auditor General said last year that most Canadians could not even understand the tax forms.

I am totally opposed to the bill. I cannot wait for the next election when the GST will be the singular issue hanging over this government.

Madam Deputy Speaker: I see the hon. member rising on questions or comments. He can do so with unanimous consent. This is first-time debate at second reading so the first two speakers are allowed up to 40 minutes and there are no questions and answers unless there is unanimous consent.

Mr. Domm: Madam Speaker, I rise on a point of order. I wonder if there is unanimous consent so that I could make comments and ask questions.

Madam Deputy Speaker: Is there unanimous consent to allow the hon. member to make a comment or ask a question?

Some hon. members: No.

• (1050)

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I join with my colleague who has just spoken to speak out as strongly as I can against Bill C-112, an act to fine tune the goods and services tax. That is what it is all about.

What will the people of Canada say when they see this document containing hundreds and hundreds of pages to fine tune the GST? It is already an impossible task for most people to handle. This is what makes small business operators, people running small firms, shake their heads in disbelief. An effort to improve the tax, from the government's point of view, is good news, but it cannot improve a tax that does not make any sense. It cannot improve a bad tax by introducing in the House of Commons hundreds of pages of detailed changes. That is not the way to deal with the GST. There is only one way for the country to deal with the GST, that is to scrap it as soon as possible to allow people to get on with rebuilding the economy.

An hon. member: What would you replace it with?

Mr. Riis: My hon. friend on the government benches asks me what we would replace it with. I would ask him to take the time to read the economic recovery report presented by the federal New Democratic Party. It lays out in very specific detail the set of alternatives to the goods and services tax. I tell my hon. friend opposite that because of the GST and a whole range of government policies regarding taxation there is absolutely no faith at all in this country in the tax system of Canada. People have long since abandoned any hope that it is fair, just and equitable. They know this is a tax system dedicated almost exclusively to serving the wealthiest people of this country and the very largest corporations of Canada.

The best example of that is what the government introduced in the House a few days ago: a special tax loophole for the wealthiest families of Canada. The tax loophole was originally introduced in the early 1970s by the Liberal government of the day. It provides for tax-free family trusts. By rolling money into a family trust no income tax is paid for 21 years. The 21 years under the Liberal administration was about to run out. Now the government steps in and says that it has a new twist to it. It is going to continue the tax gift to the richest people of Canada, to the richest families of this country, and they will not be paying any taxes until their children die.

In other words, the $70 billion in these special family trusts is not being taxed. That is wrong. That is unjust. That is unfair. That is why the people of Canada have lost complete faith that the government has any intention of trying to bring in a fair and just tax system. That is only one example.

Today, as we speak to this bill in the House of Commons, there are thousands and thousands of individuals with incomes over $50,000 a year who do not pay a single penny in income tax, not a single cent in income tax. There are hundreds of people whose incomes are over a quarter of a million dollars a year who do not pay one penny in income tax, to say nothing of people who make $100,000 and pay $10 in income tax.

It is an unjust system. It is an unfair system. It is a system the people of Canada have long since jettisoned in terms of being a reasonable system. Day by day by day the government makes it worse. Family trusts to give a tax loophole to the wealthiest people of Canada are ridiculous. The people of Canada are disgusted. That is why the minute there is an election call the Conservative benches across the way will be literally jettisoned as those people become new kinds of Tories. We will call them migratories, as Tories migrate away from Parliament Hill.

The GST, special tax breaks for the largest corporations and special tax breaks for wealthy people have turned Canadians into a population that has lost confidence in the tax system. Consequently much of our economy has moved underground. The best estimate we have is something in the neighbourhood of $100 billion annually in transactions that are untaxed because they are underground, they are on a barter system, they are on a cash system and no records are kept. Imagine if those $100 billion of annual transactions were taxed at the regular level of taxation. It would take care of our deficit. The deficit of this country alone would be dealt with on that one aspect alone, the $100 billion now in the underground economy.

• (1055)

No wonder we are in such difficulties. No wonder we have a deficit problem. No wonder we have a debt problem. People have lost complete faith in our tax system.

Here we have the government's effort to simplify the tax system. If people are watching television today and hear us saying that this is a way to simplify our tax system it is no wonder that people have lost faith not only in this government but in a tax system as it is presently constituted.

However this bill deals specifically with the GST. One of the things it does is stated in clause 211. What clause 211 states is that information about the GST is to be kept secret from the people of Canada. It bars information about the GST. Therefore under the freedom of information legislation when we try to get information about how the GST is being handled in the country we will be barred from that information.

I ask the government members opposite: What is it that you are trying to hide? How can you support legislation that keeps valuable information about the GST from the people of Canada? What is it that you are trying to hide? I think these are fair questions and perhaps at the end of my presentation I can ask some of my hon. friends across the aisle to explain that. Why would you support legislation that keeps information about the GST from the Canadian public? Presumably you have a good reason and I am looking forward to hearing your speeches later. That is one clause.

The bill goes on and on. For example, one of the clauses covers yoghurt. It states that if you buy six containers of yoghurt you will not have to pay the GST. There is another clause relating to bull semen. It states that if you pay GST on bull semen it is refundable. For all the people who are interested in purchasing bull semen this is great news, the GST will be refundable. That is probably a good provision if you are a cattleman.

What about reading? Why do we have GST on reading material? Why do we have GST on children's story books? I look forward to hearing my friends across the way explaining, when they speak today, why they support one of the only tax systems in the entire world that taxes children's books, that taxes the Bible and that taxes reading material. Why would people support a tax regime that does that? Why would they not at least now, when they are supposedly improving the GST, bring in legislation that would exempt reading material so that we can encourage people to read and work to fight against the high rates of illiteracy in this country?

Madam Speaker, you might detect a certain anger in my voice. I am angry because I have just spent two weeks in my constituency visiting people who operate small businesses, small retail stores, small manufacturing firms—

Mr. Fee: Theatrical firms.

Mr. Riis: Yes, as a matter of fact, as my hon. friend calls out, a number of organizations involved with the arts have just been informed they are going to have their arts funding slashed. Is this not an intelligent approach to take to the arts organizations across Canada, to slash budgets for another year, after years and years of reducing their budgets, now to make them almost totally inoperable? I am pleased that my hon. friend reminded me of that.

As I visited business after business there was one common concern raised at every single visit. I cannot recall a single firm I visited that did not have this to say. They said: "As our federal representative do what you can to have this government reverse its position on the GST and drop this tax because of what it is doing to our business".

• (1100)

It is not the only problem that businesses face but for many it is the straw that breaks their backs. It is the reason that people lose their homes, it is the reason that families break up, it is the reason that there are thousands and thousands of bankruptcies every month in this country. One of the critical reasons is the GST. It puts the cost beyond what is reasonable. It eliminates those extra few customers that make the difference between a successful business and an unsuccessful business.

In conclusion, as we break for Question Period, I want to say on behalf of my party that we will oppose this legislation. We will oppose it as strongly as we can because even by changing the GST we cannot make this bad tax a good tax.

Madam Deputy Speaker: If the hon. member wishes to continue after Question Period there will be nine minutes left. We will now proceed with statements by members, pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

FIGURE SKATING

Mr. Doug Fee (Red Deer): Madam Speaker, Canadians had just reason to feel pride last night after the greatest day in Canadian figure skating history. Not since our own Otto Jelinek and his sister Maria along with Don Jackson won 31 years ago have Canadians won both the pairs and the men's world championships.

Following Isabelle Brasseur and Lloyd Eisler's victory in pairs, Elvis Stojko skated almost flawlessly to claim a silver medal in the men's championship.

My pride and the pride of everyone in central Alberta was absolutely unlimited as Kurt Browning clinched his quad, a fourth world championship.

Four times I have had the pleasure of rising in this House to share our pride and congratulate Kurt Browning. He is an outstanding athlete, a fierce competitor and a proud Canadian. Kurt not only expresses his pride in Canada but by his skill and his actions he brings pride to this country. I am sure that all members of the House of Commons join me in congratulating Isabelle and Lloyd, Elvis and Kurt. They are the best in the world.

Some hon. members: Hear, hear.

* * *

PEACEKEEPING

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I am concerned about Canada's ability to sustain our current level of peacekeeping operations. In the past five years more peacekeeping operations have been approved than in the previous 40 years. There is every indication that this trend will continue as ethnic tensions throughout the world increase along with the inability of smaller countries to cope.

Canada has 4,700 peacekeepers deployed around the world in 15 different locations. The size and scope of operations are increasing dramatically. On the other hand, our contingency planning is based on deploying half that number with a force structure of 4,000 more soldiers. Too much slack is being taken up by reserve forces who will comprise 55 per cent of the relieving battalions scheduled for Croatia in April.

There are disturbing problems with United Nations command and control, and defence analysts are expressing concern to the Standing Committee on National Defence about the adequacy of equipment in use by our peacekeepers and the depth of training for our reserves.

Both the minister of external affairs and the Minister of National Defence have expressed concern over this and I believe that—

Madam Deputy Speaker: I regret the member's time has expired.

* * *

NATIONAL DEBT

Hon. Lorne Nystrom (Yorkton—Melville): Madam Speaker, this country is now in a debt crisis, both nationally and provincially. I would like to recommend to the federal government that it take a serious look at the call made by Saskatchewan premier Roy Romanow and other premiers that there be a federal-provincial conference on the debt crisis in this country, in other words a conference on fiscal management or fiscal federalism in this country.

It is important that we have a federal-provincial conference. The debt now is an interprovincial debt, not just a federal debt but a provincial debt as well. The debt-GDP ratio in this country is almost the highest of any country in the industrialized world. It is more than twice as bad in our country as it is in France or Germany, and many times higher than in countries like Sweden or Japan.

Another reason for this conference is that we must take a look at the question of transfer payments. The C. D. Howe Institute said recently that the federal government should be admonished for the way it is transferring part of its debt on to the backs of the provincial governments.

S. O. 31

AIDS

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, at a time when government expenditures are being reduced in order to combat the deficit and stabilize the economy it is important to note that the federal government has recognized the significance of the fight against AIDS and has made a commitment to spend $42.2 million a year over the next five years.

While everyone would like more funds to fight AIDS, in boosting AIDS funding by 13 per cent the federal government has emphasized its strong commitment to finding a cure for this disease while at the same time maintaining a realistic attitude toward our fiscal situation. Finding a cure and promoting awareness of HIV infection and AIDS continues to be a priority of all Canadians.

• (1105)

I am pleased that the Minister of National Health and Welfare has especially recognized the important work of the AIDS Network of Edmonton Society. This organization has experienced tremendous growth since it was established in 1986 and today has a staff of 15. Over 200 trained and active volunteers deliver a comprehensive range of outreach training and prevention education programs which serve almost 500 clients.

I commend the society's tremendous efforts in the continuing fight against AIDS and I am pleased that the Department of National Health and Welfare—

Madam Deputy Speaker: I am sorry, the hon. member's time has expired.

* * *

FIGURE SKATING

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, today we can say: We are the champions. The world should nod heads and agree. The pride shining in Kurt Browning's face last night was as bright as the gold medal around his neck. By his side stood Elvis Stojko with the silver medal around his neck.

How often do we get to see heroes in the making? Better yet, how often do Canadian heroes emerge while the entire world is watching? It happened last night in Prague during the World Figure Skating Championships.

Alberta native Kurt Browning won the gold medal for Canada and Elvis Stojko won the silver. One and two. It is the first time Canadians have ever finished first and second over-all.

As if that was not enough, Isabelle Brasseur and her partner Lloyd Eisler won the pairs competition the night before. They persevered. They tried for six years to win the gold and it finally paid off. Not since 1962 when Donald Jackson and Maria and Otto Jelinek won two gold medals for Canada have we come out so far ahead. That was 31 years ago.

These past two days will go down in figure skating history throughout the world, and here especially. The 26-year old Kurt Browning was quoted by one local newspaper as having said: "I'm back on top. That's something, when I decided to stay around for two more years, I wasn't sure—"

Madam Deputy Speaker: I am sorry. Everybody is taking more than their allotted time. I have to stop everyone. The hon. member for Fredericton—York—Sunbury.

* * *

NEW BRUNSWICK CONSTITUTIONAL AMENDMENT

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, today marks an important chapter in the constitutional history of both New Brunswick and Canada. Today the resolution respecting the equality of New Brunswick's two official linguistic communities is proclaimed by the Governor General and becomes an official amendment to Canada's Constitution.

Most New Brunswickers have long accepted and supported the reality of two official languages as a fundamental concept of society in our province. Our province has long recognized that the most effective way to an harmonious and prosperous society is to exercise policies that will help develop communications, confidence and mutual respect among the two linguistic communities which derive from those official languages.

Part of doing that is to ensure that each linguistic community feels secure in its right to government services in official languages, particularly with respect to provisions for education and cultural development. These two areas are basic to the preservation of either official language.

Although we continue to have some intense political debate about linguistic matters in New Brunswick we have made tremendous progress in building a peaceful and productive society together.

If the rest of Canada can catch the spirit of what New Brunswick has been able to achieve then I believe that the proclamation ceremony today will prove a milestone toward the ultimate lasting unity of our nation.

* * *

PREMIER CATHERINE CALLBECK

Mr. Joe McGuire (Egmont): Madam Speaker, on September 17, 1991 a former colleague in the House of Commons and a fellow Prince Edward Islander, Premier Catherine Callbeck, introduced a private member's motion calling on the federal government to honour the contributions made to Canada by our late former Prime Ministers. This was to be done by placing a commemorative marker near their burial sites.

Yesterday in an historic event hosted by the Speaker of the House of Commons and attended by the Prime Minister, the former Prime Minister the right hon. member for Vancouver Quadra, and members of the families of our past Prime Ministers 14 commemorative plaques were unveiled.

I want to take this opportunity to congratulate Catherine on the success of her initiative to honour our past leaders. I also want to congratulate her on her successful quest for the leadership of the Liberal Party of Prince Edward Island. This made Catherine the second woman to hold the office of premier of a province in Canada.

I look forward to March 29 when the voters of Prince Edward Island will make her the first woman to be elected premier in the history of Canada.

* * *

AIRLINE INDUSTRY

Mr. Scott Thorkelson (Edmonton—Strathcona): Madam Speaker, there is overcapacity in our airline transportation system. Canadian Airlines recently announced a reduction in capacity and Air Canada effectively refused to respond.

Air Canada continues along its self-destructive path. It refuses to recognize that it made a colossal blunder by pushing its monopolistic made-in-Canada solution. This strategy will be recognized as an error in judgment of historic proportions. Its management team, which is bound by a paradigm of bureaucratic inertia, has failed to respond to competitive pressures by reducing capacity and cutting costs. Instead, Air Canada tries to side-step the issue by driving toward a monopoly.

I call on both major airlines to face reality, reduce capacity and restore order to Canada's transportation system.

* * *

[*Translation*]

FIGURE SKATING

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Madam Speaker, all Canadians take tremendous pride in the outstanding achievements of our figure skaters. It was not luck but a combination of hard work, perseverance and a very legitimate desire to win for their country.

• (1110)

Emotions ran high as we watched remarkable performances by Isabelle Brasseur and Lloyd Eisler, Kurt Browning and Elvis Stojko. Today, our hearts will go out again, this time to Josée Chouinard and Karen Preston, as they too go for the gold.

To all these outstanding athletes we offer our warm congratulations on reaching the top of their discipline and being the best in the world. Their determination, strength of character and courage are an inspiration to Canada's youth. Truly, they are the best ambassadors Canada could have.

* * *

[*English*]

EMPLOYMENT

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, today's report from Statistics Canada shows that since free trade youth unemployment has soared from 11 per cent to almost 18 per cent. This is so despite a 14 per cent increase in the number who have given up hope and have left the work force altogether.

Worse still, the figures show that the employment losses were all in full-time employment. People who should be working as professionals, business people, engineers or workers in plants are instead working as temps, bicycle couriers and waiters. Why? It is because this government, in failing to adapt to a change in the economy, has failed to create enough new value-added employment and has done its utmost to slam the doors to our universities, colleges and other training opportunities.

The figures are numerical proof of what Vancouver writer, Douglas Coupland, calls the McJob phenomenon. Young people are being knocked off the career ladder and forced into a succession of low-paid, dead-end service jobs. But then, perhaps McJobs are all we can expect from free trade and Tory McGovernment.

* * *

IMMIGRATION

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I am rising to register my opposition to the absurd and blatantly political proposal by this government to close some 45 regional immigration offices across Canada and set up a mail-in centre for work permits, visitor visas, student visas and family applications in Vegreville, Alberta, right in the Minister of Finance's own riding.

One of the offices slated for the chopping block is the Canada Immigration Centre in Sydney, Nova Scotia. This centre in Sydney not only processes student, worker and tourist visa extensions, as well as family class applications, but also provides valuable support and monitoring of business and entrepreneurial immigrants to Cape Breton. These prospective immigrants from countries such as Germany, Austria and Switzerland provide investment and badly needed jobs in Cape Breton.

Closing down the Sydney immigration office, as this government seems set to do, will only hurt our efforts to bring badly needed jobs to eastern Nova Scotia. I urge the Minister of Employment and Immigration—

Madam Deputy Speaker: I am afraid the member's time has expired.

YOUNG OFFENDERS

Mr. Bill Domm (Peterborough): Madam Speaker, I take this opportunity to speak today on a subject of growing concern among many Canadians. That is the question of how we can best deal with crimes committed by young people.

I will be presenting petitions today from 9,000 of my constituents who wish to see Parliament reduce the maximum age from 18 for those youths who commit crimes. I applaud their initiative and support the intent of their petitions.

I am particularly supportive of the private member's bill of the hon. member for Calgary Southwest. Bill C-354 would see the maximum age of young offenders reduced from 18 to 15. As well, it provides for young offenders who have been twice convicted on indictable offences to be tried in adult court.

I believe that legislation such as the bill standing in the name of my colleague and seat-mate from Calgary Southwest is a step in the right direction—

Madam Deputy Speaker: I am sorry, the member's time has expired.

* * *

ELVIS STOJKO

Mr. Mac Harb (Ottawa Centre): Madam Speaker, Canada's domination at the World Figure Skating Championships continued last night as Elvis Stojko followed Kurt Browning's gold medal with an inspiring silver medal skate.

Heading into the final program, Elvis was well back in fifth spot. However, he showed incredible determination and desire and skated the performance of his life under incredible pressure. Landing eight consecutive triples, he scored the highest marks of the evening for difficulty.

To go from fifth spot to second is an incredible feat, and given the high level of competition that he faced many would say that such an accomplishment was miraculous. The ability to fight back under difficult circumstances, combined with his sportsmanship, embodies the true quality of Canada and Canadians. His performance is something we can all take pride in.

I am sure that I speak for everybody in the House of Commons and across Canada when I say congratulations, Elvis, for a job very well done.

Some hon. members: Hear, hear.

* * *

REFORM PARTY

Mr. Blaine A. Thacker (Lethbridge): Madam Speaker, I rise to alert Canadians, and especially Canadians in southern Alberta, to a very dangerous plank in the Reform Party platform.

• (1115)

The Reform Party promises to balance the budget in three years. That sounds good but it is very dangerous. If $34 billion of purchasing power were to be withdrawn in three years from Canada, we would be plunged into a very deep depression. In fact land values would drop by some 75 per cent. Tens of thousands of retail stores would close. Seniors' pensions, student loans and many other programs would virtually disappear.

For southern Alberta the Lethbridge Research Station, the Animal Diseases Research Institute, Waterton National Park, the Lethbridge Airport and Lethbridge as a regional suboffice for many civil servants would be drastically cut back.

In summary I warn Canadians, especially southern Albertans, about this very dangerous policy.

* * *

FITNESS AND AMATEUR SPORT

Mr. John Brewin (Victoria): Madam Speaker, the House congratulates Kurt Browning, Elvis Stojko, Isabelle Brasseur and Lloyd Eisler, the whole figure-skating team, and recently the World Cup wins by Kate Pace and Myriam Bédard.

Unfortunately the government has not matched the performance of our athletes. The government is inflicting very deep cuts on sport and active living funding, jeopardizing programs, off-loading more on to the provinces, schools, municipalities and the volunteer community.

It is blatantly disregarding recommendations of the progressive Best task force report and is fundamentally undermining the opportunity of Canadians to pursue excellence in sport.

This week the government devastated the active living community in an outrageous fashion when it shepherded 50 staff of the active living organizations into the Congress Centre and fired 21 of them. It reneged on its promise to give them—

Madam Deputy Speaker: I am sorry, the hon. member's time has expired.

* * *

[*Translation*]

APPOINTMENT OF JEAN-CLAUDE RIVEST TO SENATE

Mr. Gilles Rocheleau (Hull—Aylmer): Madam Speaker, as a Quebecer I feel I must comment on the appointment of Jean-Claude Rivest to the Senate by Prime Minister Brian Mulroney. I was astonished to hear that someone so closely involved in drafting the Allaire Report, which in its initial version demanded the abolition of the Senate in Ottawa, should now accept an invitation to join this old fogies club, while the role—

Madam Deputy Speaker: I would ask the hon. member to sit down. Insults are not on the agenda today. We will now proceed to Oral Question Period. The Leader of the Opposition.

ORAL QUESTION PERIOD

[*English*]

TRADE

Hon. Jean Chrétien (Leader of the Opposition): Madam Speaker, I would like to ask a question of the government House leader.

The House has been informed that there is a big rush to pass the NAFTA deal. Yesterday in the United States Congress it became very clear that the United States legislation was not about to pass unless there were some major changes in the form of new agreements.

Now that it is evident this deal will not easily pass in the United States, will the government wait to learn exactly the results of the negotiations that will start next week and act only after that? Why not use the occasion to get clear definitions of what is a subsidy and what is dumping so that everybody will be happy?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the deal is signed and remains a deal to which all governments are committed. It of course needs to be ratified in all of the legislatures.

The U.S. is talking about a side deal and negotiations will be going on in terms of a side deal with respect to the environment and labour and that was something our government talked about last February.

In terms of this House, I have offered to the opposition that the proposed legislation be referred to a committee so it can be studied by Canadians. So far I have not been able to get the co-operation of the opposition parties, although not the Liberal Party, in terms of doing that.

I do not see anything wrong with the opportunity of having a committee of the House of Commons study the deal while negotiations on the side deal are carried on.

Hon. Jean Chrétien (Leader of the Opposition): Madam Speaker, the opposition will be ready to guarantee to the House of Commons that this bill will not be passed in Canada until it is passed in the United States. To study the bill is one proposition, but to pass it is something else. The indication we have received from the government is that it wants to pass the bill before June.

The United States has decided it will not submit the bill to Congress before this summer. There is some indication that if it is not ready before the summer in the United States it probably will not be passed in the United States before the end of the year.

• (1120)

Can we have a guarantee from the government that the bill will not pass this House of Commons until the bill is passed in the United States?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, that does not make a lot of sense to me.

The reality is that it only becomes law if all governments, all legislatures pass it. Who is first or who is second seems to me to be rather immaterial.

The deal is that the agreement as negotiated will proceed. We want to have the fullest of discussion. We want to have an opportunity for people to examine it, to have this House of Commons examine it. However, at an appropriate time we must make a decision. The fact of the matter is the government stands committed to this deal, which is a good deal for Canada.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Madam Speaker, they want us to adopt the bill as is, but in July or August the Americans may decide to adopt a different version.

We have no objection to discussing and examining the bill. However, we want the government to guarantee that the bill will not be approved in Canada until the Americans have obtained what they want to obtain and until we are satisfied with the content of this potential agreement between Canada, United States and Mexico.

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the agreement will not be amended. The agreement is the agreement as it stands.

Whether it passes the United States Congress is a question for the United States government to deal with. Presumably some of these comments we read in the press are part of the political manoeuvring going on down there.

The United States cannot unilaterally amend the deal. It has been signed by the three governments. It remains in effect. President Clinton said he supports the deal. The Mexicans clearly do. This government clearly does. It makes sense.

An hon. member: What about changes?

Mr. Andre: No. I am sorry, no changes to the deal.

They are talking about side agreements, which are something else. We are participating in those negotiations. Frankly it just makes sense for us after proper discussion and consideration here in Canada to pass the deal and have it in place because it is a good deal for Canada.

Hon. Herb Gray (Windsor West): Madam Speaker, my question is also for the government House leader.

Today, according to the press, the U.S. House of Representatives majority leader, Richard Gephardt, said: "I will not support and I think a lot of members will not support NAFTA on a leap of faith". Also Robert Matsui a prominent Democratic congressman said: "I have to tell you that my reading on the floor of the House at this time is that the votes are not there for the approval of NAFTA".

I ask the government House leader, what sense is it? How does it serve Canada's interests for the government to force through this House a measure which may turn out to be disapproved by the U.S. House of Representatives? How does this serve Canada's interests if Canada is left out on a limb because of this government's foolish approach to this unwarranted and bad NAFTA deal?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, first of all Canada is not left out on a limb at all.

The Liberals talk about sovereignty. They talk about the independence of Canada. They talk about how the Americans dictate what goes on in Canada. Now they are standing up in the House today and suggesting that Canada should not move until the United States moves.

There are three different governments with three different systems of government examining this particular bill. I might remind the hon. member, and I think he knows this because he has been through the free trade agreement, that this is on a fast track in the United States. The United States cannot amend the agreement as such. It either has to approve it as is, or turn it down as is.

All we are trying to do in Canada is get the committee to start studying this bill. The hon. member knows he would be the first on his feet to complain if we did not have the full time to study this bill and tried to speed it through in a few weeks after the Americans had approved it. He would be up on his feet screaming that we have not had time to study it. Well we are giving the Canadian people and this House of Commons time to study it now.

Hon. Herb Gray (Windsor West): Madam Speaker, surely the minister will have to recognize that the fast track in the United States Congress does not start until the legislation to implement NAFTA is submitted to Congress. President Clinton has said he does not intend to present the legislation unless he gets appropriate side deals on things like labour standards and the environment.

• (1125)

So there is no need for any rush in Canada. Therefore, I ask the minister how does it help to protect Canada's sovereignty if after rushing this bill through this House, the U.S. Congress does not approve the deal?

Is this government claiming it is going to be able to force the NAFTA on the U.S. Congress? Surely that is a lot of nonsense and the minister knows it.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, not at all. As a matter of fact, no more than it can force NAFTA on us or on Mexico. Three independent governments will be studying this.

What we are suggesting here in Canada, and I think the House leader made it very clear and he is absolutely correct, is that this will give Canadians an opportunity to study the agreement and to make comments. These additional agreements will be negotiated. As far as fast track is concerned, in the United States once it is presented to Congress it has 60 days to either approve it or not approve of it.

If we said we only had 60 days or less to approve it in Canada and if the Americans did not approve it until the fall and we then came back saying that we only had 30 days or 15 days to approve it, that hon. member would be up on his feet screaming like the devil here in the House that we had not given Canadians enough time to study it. Well, we are giving Canadians enough time to study it now.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, my question is for the Acting Prime Minister.

A report today prepared by the Mexican Centre for Border Studies and Human Rights has said that the North American free trade agreement will cause further environmental degradation. The centre's president further says that parallel agreements will not work because they already exist between the U.S. and Mexico and are not enforced. It is clear that NAFTA is fundamentally flawed.

Will this government stop simply trying to rush legislation through before an election? That is what is driving this. Come clean with the public. Will the government withdraw this so that there can be real study in all three countries about NAFTA?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I wish the hon. leader of the New Democratic Party would talk to her caucus about honest study. I am unable to get the commitment from her caucus to proceed with referring this bill to a committee so that the study could begin.

How much time is required? If in fact we could do that and they want us to provide the same kind of studies as in the United States 60 days would put us sometime in May. Is that an appropriate time? Would 90 days be necessary? What is the appropriate time required?

I suggest the faster we get started, the greater the opportunity for Canadians to examine it. The hon. member is becoming increasingly isolated in her position that this is a bad deal. Everybody knows that it is a good deal.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, I suggest to the Acting Prime Minister that we test his hypothesis about who supports NAFTA and who does not support NAFTA in an election. Stand up and have the courage of your convictions. Put this issue before the electorate. Then we will see what Canadians think.

Today there are reports on the concerns about NAFTA. In the United States there are concerns about the fact that NAFTA will benefit multinational companies to the detriment of consumers. A Canadian steel company has said it is going to set up shop in the United States. The U.S. Congress has expressed very grave concerns which we have just heard. As mentioned earlier, NAFTA will seriously harm the environment.

My question to the Acting Prime Minister is simply this: Since he is always defending NAFTA and his government with the argument that NAFTA will benefit Mexican workers, could he tell this House how harming the health of the Mexican people and Mexican workers will benefit the Mexican people?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, we did have an election over free trade. We were taunted and threatened into it. In the end because of the Liberal majority in the Senate we had to have an election on free trade. We know the results of that election. Therefore, threatening us with an election on NAFTA is hardly a scary prospect.

The New Democratic Party was quick on its feet to say that the free trade agreement was going to destroy the auto industry in Canada. We know it was wrong. It was adamant in terms of opposition to the free trade agreement. We know that our exports are booming. We know that those exports made up of manufactured high value goods have been increasing and that Canada's share of the total trade in North America has been increasing. All the numbers show it is a success.

• (1130)

Only the New Democratic Party and maybe the Liberal Party think that trade is bad for us. Everybody else knows trade is good for everybody concerned.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, this debate is not about whether trade is good or bad and this minister is misleading the House when he says that is what the debate is about.

The debate is about a specific trade deal which trades away the sovereignty of Canada. That is what the debate is about.

[*Translation*]

It is clear the U.S. Congress in Washington has second thoughts. The Mexicans have second thoughts. Union members and environmentalists in Quebec have second thoughts. Only this government remains uncritical of NAFTA. Why does the Deputy Prime Minister not stop the ratification process? We need more time to discuss issues that are crucial to the economic future of this country.

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I welcome the suggestion of the New Democratic Party leader that we examine this deal. I would ask her again to talk to her caucus so that we might get approval of a motion in the House to refer the deal to a committee so the examination could take place. That is what we would welcome.

I know that in certain quarters there is a feeling that we must retain the ability to maintain high tariffs and restrictive laws to protect little Canada. We believe in a larger Canada that competes with the rest of the world. We do not believe in the view—and nobody in the world believes it any more except a few dinosaurs—that restrictions on trade and obstacles and all those things are good.

We welcome the opportunity to examine the benefits. We are sure people will find, just as the auto pact was tremendously beneficial to Canada and just as the free trade agreement is proving to be tremendously beneficial to Canada, that NAFTA will be tremendously beneficial to Canada.

* * *

EMPLOYMENT

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, I have a question for the Minister of Employment and Immigration.

He will know that 434,000 Canadians have lost their jobs according to Statistics Canada since the recession, which was induced as the Prime Minister has said publicly by this government. In the last month alone the number of full-time jobs has dropped by 5,000. In my province the jobless rate is now over 20 per cent.

If the government's policies are as magical as he has been suggesting, how does he explain those figures? Why does he not admit that despite all the rhetoric he and the government do not have the foggiest idea how to deal with this problem?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, once a month over the last few months the Liberals stand in the House when the employment figures come out and talk about all the doom and gloom. Yet we had 9,000 more jobs created in February than in the month before. We have had an increase in employment in nine of the last ten months. There have been 155,000 full-time jobs created. As a matter of fact in February, and I was pleased to see it, unemployment figures were still very high for youth but there were 14,000 more young people working in the month of February, which these statistics show as well.

There is a litany of good-news stories coming out now. When will the Liberals finally wake up and start talking positively about Canada instead of negatively about Canada?

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, the minister talks about the 9,000 jobs. Why does he not for a change tell the truth and say they are part-time jobs he is talking about when he quotes that 9,000 figure? Or, was it not convenient to say that? Why does he not tell about the thousands who have dropped out of the labour force altogether?

• (1135)

Since the last election, if he wants statistics, Canadians under 25 years of age have lost 409,000 full-time jobs. Is that the good news he is talking about? Or is it that 19.3 per cent of young men are now unemployed in Canada?

The *x* generation does not want those McJobs he is talking about, slinging burgers on the midnight shift for four bucks or four loonies an hour. They want a chance at a career.

Why is the government so maliciously strangling and squandering the talents of our young people?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, it is very obvious the government is not doing that and the hon. member knows it. If he got into the statistics and took time to examine them he would also see that manufacturing jobs have increased rather dramatically by some 33,000 jobs.

Mr. Simmons: It's a lie.

Mr. McDermid: No, it is not. He is saying it is a lie, Madam Speaker. I am not sure that is parliamentary, but it is a fact that there were 33,000 more manufacturing jobs in the last few months in Canada. As a matter of fact in the province of Ontario there have been 91,000 new jobs created in the last 10 months. Those are positive stories. As I said to the hon. member, there were 14,000 more young people working in February than there were in January.

I agree with the hon. member that unemployment is too high, but the rate has dropped from 11.8 per cent to 10.8 per cent. It is heading in the right direction. The policies of this government are working and we are going to continue to see improvement in employment as the economy improves. The hon. member should be happy about that.

Some hon. members: Oh, oh.

Madam Deputy Speaker: It would be useful if the Speaker could be allowed to hear what is going on instead of people screaming. This is the House of Commons, not a school yard.

Some hon. members: Hear, hear.

Mrs. Beryl Gaffney (Nepean): Madam Speaker, my question is for the Minister of Employment and Immigration.

We know that unemployment among women rose by 11,000 in the month of February. This will push even more single parent families into poverty and already we know that one million children live below the poverty line.

Will the minister please come forward with a budget to address this grave crisis among women and children in this country?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, the hon. member is correct. There were fewer women working in the work force in the month of February. We do not like to see that at all, though I must point out to her that there were 35,000 more working by the end of February than there were a year ago. This is a one-month drop, but the record over the last number of months has shown that it has increased.

I cannot explain the reasons for that. I am sure there are reasons that drop in the month of February took place. Unfortunately a lot of the part-time jobs that take place over the December-January months for Christmas and for sales in January disappear in February. I am sure that has something to do with it.

I agree with her that is a major problem, but this government is spending a tremendous amount of money, well over $3 billion, on training and retraining to try to get people into the work force with the skills they need for the jobs available today.

The hon. member knows, if she read it this week, that the help-wanted index is up rather significantly. Employers are now starting to look for employees. There are some very good signs in the economy. I believe we will see a marked improvement in employment as this year progresses and as the economy improves.

Mrs. Beryl Gaffney (Nepean): Madam Speaker, we also know that many of these single parents, women in particular, are working in jobs in the service industry that are low paying and they are hurting very badly.

It is also a fact that the unemployment rates are highest among single parents: 16.8 per cent unemployment for women led families and 15.7 per cent for male led families. That is far above the national average. We know this is caused mainly by an inflexible job market.

Why is this government failing to develop coherent policies that will empower these people to break this cycle of poverty?

• (1140)

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I can speak fairly authoritatively about what goes on in my community in the city of Brampton in the region of Peel where in fact there are very significant ongoing programs for single parents to get them back into the work force, training programs together with support for day care while the single parents are out working.

These programs are ongoing. I know they are taking place across this country. I can speak more authoritatively about the ones in my area because I keep a very close eye on them. As a matter of fact we are meeting with the region of Peel this afternoon to cover a number of these subjects.

That is a great concern. There is no question about it. There are programs in place, as the hon. member knows, in which the federal government funds the provinces very significantly when it comes to social assistance, trying to get people off social assistance, back into the training market and into the job market. Those programs are ongoing and will continue to be ongoing because they are a priority of this government.

* * *

TRADE

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, U.S. President Clinton has recently stated that he will not ratify the North American free trade agreement unless substantive parallel agreements are made, including an environmental accord.

Is the minister or whoever is answering for the Minister of the Environment aware that through articles 301, 309, 310, 314, 315, 708 and annex 702.1 of the proposed NAFTA agreement and article 2201.9 of the harmonized coding system Canadian waters are treated as a commodity of trade and are exempted from environmental safeguards?

Will the minister seize this opportunity, an opportunity presented by President Clinton, to press for an irrevocable exemption for the export of Canadian waters under NAFTA?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, that was pretty impressive. I do not know if the member has read the agreement or a researcher gave him those numbers, but let me just read a very brief clause in the agreement, which says: "For greater certainty nothing in this act or the agreement, except article 401 of the agreement, applies to water. In this section water means natural surface and ground water and liquid in gaseous or solid state but does not include water packaged as a beverage or in tanks".

NDP members went through this export of water under the free trade agreement. They were shot down then and they are going to be shot down again under NAFTA.

Mr. Rod Murphy (Churchill): Madam Speaker, the minister knows that all it takes is one line change in legislation to let water flow under the NAFTA to the United States. He knows that.

God knows that in the past the government said it would not sell Air Canada and all sorts of other things that it changed in the future. The NAFTA allows water to flow. The government knows that.

An American congressman is quoted this morning as saying that NAFTA will mean windfall profits to U.S. based multinational pharmaceutical companies. Why is this country allowing this to happen? It is one of the changes we are not asking for to make sure that generic drugs can be sold cheaply to consumers and to hospitals right across this country.

Madam Deputy Speaker: There seems to be a supplementary question from water to drugs. The hon. minister.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I will try. I am not sure how we got from the export of water to generic drugs, but let me say the hon. member is totally wrong on water and he knows it. He is totally wrong. I want that to be clearly understood by this House and by Canadian citizens.

As far as generic drugs are concerned, I just happened to read in the paper the other day where an individual announced a major expansion in the city of Toronto of a generic drug company. That same individual said a year ago it was dead. Now that company is expanding and doing very well.

I think the generic drug companies are doing fine under the very progressive legislation brought forward by this government. This will mean a great deal for research and development and high-tech jobs—

• (1145)

Madam Deputy Speaker: I think we will go on.

* * *

OZONE DEPLETION

Hon. Chas. L. Caccia (Davenport): Madam Speaker, in the absence of the Minister of National Health and Welfare, my question is directed to the Minister of State for the Environment.

As she knows, the levels of ozone, the atmospheric gas that filters harmful ultraviolet radiation, reached historic lows over Canada this winter and are likely to remain significantly below normal at least until the fall. The trend is posing a threat to the health of Canadians, particularly in relation to skin cancer.

My question is this: What is the minister doing to assure the public that the government is taking the necessary steps to protect the ozone layer and thus the public?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Madam Speaker, first of all I think it would be helpful to tell my colleague what we expect the situation to be over the next few months, during the summer, if we ever get summer here.

The ozone depletion this summer is expected to be just slightly greater than observed in the last few years. Summertime values will be between 3 per cent and 7 per cent below the pre-1980 normal.

As the hon. member knows, we started a system of providing information about the ozone layer and ultraviolet radiation to Canadians so they could have that information. I would certainly suggest they take advantage of it and take precautionary measures to keep out of the sun when there are conditions that are particularly dramatic during the summer.

I know my hon. colleague is aware of the fact that Canada has been the leader in promoting the international protocol. In Montreal last year, again we played a very active role in putting forward and strengthening that international protocol. In fact at that meeting the protocol was strengthened and the agreement that has been reached at Copenhagen calls for—

Madam Deputy Speaker: I think we are getting into a speech now and the hon. minister will agree with me.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, while the protocol, as the minister says, has been strengthened, one of the dangerous chemicals which is damaging the ozone layer is methyl bromide.

Methyl bromide has been banned in Holland and will be banned in the United States by the year 2000.

My supplementary question is this: Why is the government of Canada so hesitant in protecting the public and not acting in banning methyl bromide?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Madam Speaker, my hon. colleague mentions methyl bromide which was one of the issues considered in Copenhagen.

As a party to the accord that was reached, Canada supports the initiatives put forward in the protocol. We will be reducing the use of methyl bromide by 1995 down to the levels it was prior to 1991. We will be committed to recover, recycle and reclaim methyl bromide and to reduce emissions. Canada, as one of the partners around the world, will be ensuring that we all work in a concerted fashion to ensure that this does not continue to be a contributing cause to ozone depletion.

* * *

MUNICIPALITIES

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, my question is for the Minister of Public Works.

In his economic statement last December the Minister of Finance froze to 1990 levels all grants in lieu of taxes the government pays municipalities on its properties across Canada. A great number of these government properties are located in the national capital region.

Does the minister intend to rescind this unfair freeze on grants in lieu of taxes or does he intend to freeload on the increased cost of municipal services and bully the rest of the property owners in the national capital region into paying for the shortfall?

Hon. Elmer M. MacKay (Minister of Public Works): On the contrary, Madam Speaker, we are hoping to find an equitable way to cope with the escalation in the costs to the government because of the rapid increase in grants in lieu assessments.

This has been done across the country under different methodologies. We are hoping as a result of meetings which we will have with the Federation of Canadian Municipalities and other people that we will be able to find an equitable and consistent way to restructure the process. We are not trying to bully anyone and to the extent that we can we would like to try to be as equitable as possible under the constraints of the freeze.

• (1150)

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, the minister seems to have no immediate plans for dealing with the freeze.

The Ottawa-Carleton regional government recently approved a report by the province of Ontario which reassessed all property categories in the region. The regional government was aware of the implication that federal properties would yield about 3.4 per cent less in revenue in 1993. Will the government accept or reject this new lower assessment of its properties in Ottawa-Carleton?

[*English*]

Hon. Elmer M. MacKay (Minister of Public Works): Madam Speaker, this is encouraging news. The government would welcome any change in methodology that would allow the taxation system to be fairer to special use properties that the Crown has in Ottawa and in other areas.

The point is that we do have this constraint and we do have this freeze. We are trying to cope with it as best we can and as equitably as we can until we can get a better methodology across the country that will be consistent and will reduce this rapid escalation in grants in lieu.

JUSTICE

Mr. Scott Thorkelson (Edmonton—Strathcona): Madam Speaker, my question is for the Acting Solicitor General.

In our recent hearings on crime prevention, the justice committee examined ways to speed up police response times when dealing with parolees. One valuable suggestion was to enter the individual's parole conditions into the police computer system. Today it only tells whether a person is on parole but not the conditions.

Will the minister require parole conditions to be entered into the national police computer system so that police officers can determine if a person is violating the terms of his or her parole?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Madam Speaker, I want to thank the hon. member for his excellent question.

At the present time, general information on transfers and release on parole is available to all police forces through the Canadian Police Information Centre. Any other details on a specific case are communicated in writing to the police in the area where the parolee is released.

However, in accordance with the intent of the new legislation on corrections and parole, a new system aimed at providing better protection for the public will be operational this summer. Furthermore, police will be able to obtain through the CPIC a detailed profile of each parolee, including conditions of parole, which will reduce the response time.

* * *

[*English*]

TRANSPORTATION

Mr. Vic Althouse (Mackenzie): Madam Speaker, my question is for the government House leader.

The National Transportation Act review commission report that was presented this week recommends phasing out the subsidies to transportation.

Since the government has already cut 10 per cent from the Crow benefits on grains, oilseeds and their by-products for the coming crop year, what is the government's timetable for the phase-out of the rest of the Crow payment in light of this recommendation?

Hon. Jean Corbeil (Minister of Transport): Madam Speaker, as I said earlier in the House this week, as the result of the tabling of the report of the National Transportation Act review commission we have sent this report to the Standing Committee on Transport. It will examine the conclusions, tell us what timetable it would prefer for all the different recommendations and whether some of them can be implemented on a practical basis.

At the same time we have set up an internal work force comprising officers of the Department of Transport and people from the different modes of transportation to make their own appraisal of this very excellent report so that at the end of the day we will be able to come to this House with the proper amendments to the legislation.

Mr. Vic Althouse (Mackenzie): Madam Speaker, the government seems to have already adopted the phase-out portion of the report with the 10 per cent reduction it announced in the economic statement in December.

Is it also the government's intention to pay the Crow benefit to the producer, as was recommended in the report? Has a decision been made to make that payment to the producer on the declining subsidy that is left?

Hon. Jean Corbeil (Minister of Transport): The answer to this question is no.

* * *

• (1155)

THE ENVIRONMENT

Mr. Jack Iyerak Anawak (Nunatsiaq): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development and it concerns Panarctic's proposed dumping of 400 tonnes, or 800,000 pounds, of scrap metal into the Arctic Ocean.

The government has a policy, the Arctic environmental strategy, for which this minister is responsible. It is supposed to protect the Arctic environment and fully accommodate the views of the aboriginal people. Given the absolute and total opposition of the Inuit to this proposed dumping, how can the minister allow it to proceed?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, I heard the Minister of State for the Environment respond to this question yesterday. She indicated that an appropriate environmental screening of this project was conducted under the provisions of the Canadian Environmental Protection Act and the environmental assessment process.

I was disturbed to learn that we might permit the dumping of such a large amount of steel into Arctic waters. I know the Department of the Environment is similarly concerned. I am told there were public meetings in Resolute before the permit was authorized. In view of the concern that has been expressed by northern leaders, I am told there will be meetings with community representatives to further review those concerns and to see if further appropriate steps are necessary.

Mr. Jack Iyerak Anawak (Nunatsiaq): Madam Speaker, having an environmental assessment review would be welcome news but the first preference of northerners is to see that these metals are removed to the south from where they came.

Has the government rejected the option of totally removing this garbage from the north?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Madam Speaker, perhaps I could respond to that.

I understand a number of options have been looked at as to what can be done. One of the requirements of Panarctic is that it clean up its site. That is under the legislation.

Certainly other options were looked at. Land disposal was looked at but given the conditions of permafrost this really was not a feasible option.

The option of transporting these materials south was examined. However, it would cost I understand something in the order of well over $1 million to do that and it was obviously considered excessive considering the situation involved.

As my colleague the Minister of Indian Affairs and Northern Development has indicated, there will be further meetings about this. The bottom line is we want to ensure that any disposal is environmentally safe. Certainly the information we have would indicate that it would be safe but obviously further consultations will be under way.

* * *

PUBLIC WORKS

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my question is for the Minister of Public Works and it concerns the Saint-Jean-sur-Richelieu airport land deal.

Yesterday the minister apologized for what he called a departure from good public policy in the sale of the land without tender. I want to thank the minister for his candour yesterday. Perhaps other ministers should do the same every now and then.

Canadians still deserve to know why the policies were not followed. Will he order an inquiry into this land deal and will he table the result of that departmental inquiry in the House of Commons?

Hon. Elmer M. MacKay (Minister of Public Works): Madam Speaker, sometimes these things escalate. I think it is a bit of an exaggeration to call it a land deal in the general sense.

I am not happy about the way it was handled. I can tell my colleague that when these long negotiations began the property was of a different configuration than it was when they ended, but nonetheless it should have been tendered.

I have asked my department to look into it fully, to get all the documentation it can and I will table it as soon as it is ready. If there is any need for a more formal inquiry I will consider it at that time, but I believe there should be enough documentation around that he can be fully satisfied as to all of the background.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I appreciate the minister's reply.

However, could the minister tell the House whether a complete assessment of the property was made before the sale, as required by Treasury Board guidelines? Will he undertake to table this assessment in the House, with the documents he intends to table here later on?

[*English*]

Hon. Elmer M. MacKay (Minister of Public Works): Madam Speaker, I see no reason why that is not a reasonable request. I will undertake to do it unless there is some procedural requirement that prevents me.

• (1200)

I want to point out one more time that there are lands on both ends of the runway as my colleague probably knows. A portion of the land at one end of the runway has not yet been sold. It certainly will be put up for tender.

* * *

IRAN

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, my question is for the Minister of Employment and Immigration.

As the minister knows, both Amnesty International and the United Nations have renewed their condemnation of Iran for gross and systematic violations of human rights.

For example, Zarah, an Iranian woman who was beaten, raped, threatened with death by her husband and refused a divorce by male-biased Iranian law escaped to claim refugee status in Canada but was rejected by the IRB and ordered to return to face beatings, prison or even death under Iranian law.

Will the minister, in light of the new IRB regulations offering protection to unprotected battered wives, use his humanitarian and compassionate powers to land Zarah in Canada? Will he deal similarly with the 14 hunger strikers in their eighteenth day of a hunger strike in Vancouver and at least agree to let them stay in Canada until the United Nations has said Iran is a safe country to return to?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, refugee claimants refused convention refugee status by the IRB have their cases reviewed to ensure that they will not face unduly harsh or inhumane treatment upon returning to their country.

That is done in each and every case. The people he referred to will be offered the same treatment. Of course we will review each case individually. In 1992 we had 1,194 claims from Iranian nationals that were accepted and only 12 people were returned to Iran because the circumstances warranted their return. This will also be the case for the ones the hon. member just mentioned.

* * *

INDIAN AFFAIRS

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, I have a question for the Minister of Indian Affairs and Northern Development.

I would like to inquire about the policy of his department with respect to liability arising from large construction and engineering projects on Indian lands where debts remain unpaid.

Many suppliers and contractors presume that the Department of Indian Affairs and Northern Development is essentially a guarantor of Indian financial commitments when the funds are advanced by his department. I would like to understand what his policy is, both in the ethical and in the legal sense.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, this is a very important question raised by the hon. member for Fredericton—York—Sunbury and one which other members have also asked me about.

I should begin by indicating that the majority of the bands which are administered across Canada by chiefs and councils handle their own financial arrangements, both their O and M funding and the capital funding they administer, often under multi-year operating budgets. We call them alternative funding arrangements.

The majority of these communities and their leadership pay their bills and meet their financial obligations. There are exceptions. Our position is both legally and morally that in the spirit of the self-government ethic that First Nations are seeking, the minister of Indian affairs and the government should not guarantee bills which are not paid.

There are remedies through the courts and the legal system. It is important for contractors and those who do business with aboriginal communities to realize that they are dealing as they would with any other commercial entity. They are dealing in a situation where contract law must be respected and where it is not, the remedies are to be found through normal legal recourse, notwithstanding my concern that native leaderships live up to their obligations.

Mr. Andre: Madam Speaker, I would like to designate Monday as an allotted day or supply day.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 20 petitions.

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

* * *

• (1205)

[*Translation*]

INTERNATIONAL ASSEMBLY OF FRENCH-SPEAKING PARLIAMENTARIANS

PRESENTATION OF REPORT OF CANADIAN SECTION

Madam Deputy Speaker: I have the honour to present to the House, in both official languages, the report of the Canadian Section of the International Assembly of French-Speaking Parliamentarians (AIPLF) on the meeting of the international board of the AIPLF held in Paris on February 1 and 2, 1993.

* * *

HOUSE MANAGEMENT

71ST REPORT OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton Southwest): Madam Speaker, I have the honour to present the 71st report of the Standing Committee on House Management concerning the list of members who are to be on the legislative committee on Bill C-109.

Pursuant to Standing Order 113(1), this report is deemed adopted once it is laid upon the Table.

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

* * *

[*English*]

POINT OF ORDER

BORROWING AUTHORITY ACT, 1993-94

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I assume the bill that is about to be introduced is the new borrowing bill which the government proposes to put to the House. If so, I would like to raise a point of order as to its procedural acceptability.

Madam Deputy Speaker: Yes.

Mr. Milliken: Yes, very good, that is the bill that is about to be introduced.

Beauchesne's sixth edition, citation 595, states that:

> The Crown, being the executive power, has the responsibility for the raising and spending of money. Acting through responsible Ministers, the Crown makes known to the Commons the financial necessities of government. The Commons grants such aids and supplies as are necessary to meet the demands of the Crown and provides through taxes and other sources of revenue the ways and means to meet the supplies that have been granted. The Crown, therefore, demands money, the Commons grants it and the Senate assents to the grant. The Commons does not vote any money except for the necessities of the country as defined by the Crown.

This particular bill is a borrowing bill. I assume that since it applies for the following year it is a borrowing bill for money for the new financial year. It has been the accepted practice in this House over the last decade and a bit that any such bill will be preceded by a budget or an economic statement that defines, within the meaning of Beauchesne's, the financial requirements of the Crown.

We have had no explanation as to any funding that may be required for borrowing purposes for the new financial year. Indeed, we were given conflicting answers as to whether there is going to be a budget. One day the Minister of Finance thinks there will be and the next day he is thinking about leadership possibilities instead.

I want to look at the practice and I urge Your Honour to look at it also. I have done some research on this and I want to point out that in May 1980, I have gone back that far, following an economic statement in April, a borrowing bill was introduced in the House and that practice basically has been followed ever since.

On two or three occasions during the period of 1981 and 1982 the borrowing authority was included in a supply bill. The Speaker in 1981 ruled that it was improper to include the borrowing bill in a supply bill and had it removed. The government then reintroduced a new bill that gave borrowing authority. That practice has been followed ever since. It was tried again in 1982 in a supply bill but, again following complaints from the opposition, which is the government side at this time, the borrowing authority was removed from the supply bill and placed in another bill.

It has been a very consistent practice since that time that the borrowing bill be introduced separately and that it be introduced following an economic statement. I note for the record that in December of this year in the economic statement, borrowing authority was requested and that borrowing authority has been granted. It was additional borrowing authority for the current financial year. The borrowing authority for this year was originally requested in last year's budget on February 25 and the borrowing bill was in fact introduced immediately the budget was presented.

That has been the practice throughout the term of the government. It was the practice for the few years preceding this government coming to office. I could cite every bill.

I realize I am rising on a procedural point and it would be quite out of order for me to refer to incompetent management on the part of the government as the reason for this bill coming forward and I would not want to do that. It would also be wrong for me to suggest that the government in introducing the bill really does not know what it is doing or that it is busy in a leadership campaign. I will not go into that area because I do want to make the point procedurally. The government is by-passing the normal requirement that it come to the House and present a statement as to the country's finances and explain why it is the government—

• (1210)

Madam Deputy Speaker: I have listened very patiently to the hon. member on his point of order, which in a way is very premature. He based his point of order on a nod of my head when he said: "I imagine the bill is a borrowing bill". As the bill is not yet in front of the House, it has not been printed. I think the hon. member's point of order is somewhat premature.

I will put the motion to the House and once the bill has been printed and comes back to the House at second reading we will hear the hon. member again.

* * *

[*Translation*]

BORROWING AUTHORITY ACT, 1993-94

MEASURE TO ENACT

Hon. Thomas Siddon (for the Minister of Finance) moved for leave to introduce Bill C-117, an act to provide borrowing authority for the fiscal year beginning on April 1, 1993.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Siddon (for Mr. Mazankowski) moves that this bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and ordered to be printed.

* * *

[*English*]

BILL C-275

REQUEST FOR WITHDRAWAL

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, I ask permission of the House to withdraw Bill C-275. Is this the appropriate time to do that?

Madam Deputy Speaker: Is there unanimous consent for the hon. member to withdraw this bill?

Some hon. members: Agreed.

Bill withdrawn.

Mr. Fisher: Madam Speaker, if I may just explain, it is a bill which has been introduced and printed, unlike the debate a few minutes ago.

It was a bill introduced on the subject of conflict of interest in the House and the Senate. Of course, since the government introduced legislation on the very same subject two or three days ago my bill has become redundant. I would not want to waste the time of the House by insisting that it go forward.

I thank the members for giving me permission to withdraw the bill and I thank you for your time, Madam Speaker.

* * *

PETITIONS

YOUNG OFFENDERS ACT

Mr. Bill Domm (Peterborough): Madam Speaker, I am pleased to present some 9,000 signatures from constituents in the Peterborough federal riding and some of those surrounding it, calling on Parliament to consider major amendments to the Young Offenders Act. The majority of Canadians who signed this petition support equal treatment of criminal offenders but with legislated age shelters from criminal law for very young adolescents.

The petitioners request that Parliament give consideration to revising the laws of Canada to replace the Young Offenders Act with an updated juvenile delinquents act with a lower maximum age of 13.

WAR CRIMES

Mrs. Beryl Gaffney (Nepean): Madam Speaker, pursuant to Standing Order 36, I submit approximately 525 signatures from people from Nepean, Gloucester, Ottawa, Hull and Gatineau, all communities in the Ottawa–Hull area.

These petitioners ask that Canada recognize rape as a war crime and they ask that Canada, through the United Nations, place more emphasis on resolving the deplorable situation in Bosnia and that Canada also communicate its displeasure to governments that promote and condone rape as a means of controlling their people as a weapon of war. For example, they mention again Bosnia, Croatia and India.

• (1215)

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I have two petitions to present to the House today. The first petition is from residents of Essex—Windsor and results from a petition drive across the constituency on a single day.

The petition calls the attention of the House to serious problems with the North American free trade agreement. It suggests that Canadians will lose more good jobs as a consequence of this agreement. It suggests that there will be further restrictions placed on the ability of Canada's various governments to assist Canadian industry. It suggests that there is no possibility of this being remedied through renegotiation.

The petitioners therefore call upon the House to reject the proposed North American free trade agreement and recommend to the government that it use the termination clause to end the U.S.–Canada free trade agreement.

KILLER BOARD GAME

Mr. Steven W. Langdon (Essex—Windsor): The second petition I have also comes from my constituency. It is from a group of people who are very concerned about the serial killer board game which has been for sale in Canada. They are concerned that the laws of Canada do not deal with materials portraying torture, rape and murder as fun such as this game.

The petitioners therefore request Parliament to consider amending the Criminal Code so that violence and degrading material such as this serial killer board game can be kept from being distributed in Canada.

INDIAN AFFAIRS

Mr. Doug Fee (Red Deer): Madam Speaker, I too have a petition to present under Standing Order 36. There are slightly more than a thousand signatures on it from residents mainly of the Caroline–Rocky Mountain House area in my riding.

These people recognize that treaty rights entitle treaty Indians to preserve their traditional way of life including hunting, fishing and gathering. However, they point out that there are no bag limits in enforcement of hunting regulations for treaty Indians. They express concern that completely unregulated hunting interferes with good conservation and sound wildlife management practices.

The petitioners therefore call upon us to conclude an agreement with Canada's treaty Indians regarding sound wildlife management practices restricting native rights to hunt, fish and gather for personal consumption and prohibit the sale for profit of wildlife meat or parts obtained by treaty rights.

INCOME TAX ACT

Mr. Walter Van De Walle (St. Albert): Madam Speaker, I have the honour to present a petition duly authorized under Standing Order 36 concerning the Income Tax Act. The petitioners are residents of the federal riding of St. Albert.

In support of automotive technicians the petitioners wish to draw to the attention of the House that many automotive technicians as a condition of employment must provide for all costs including purchase, maintenance and insurance pertaining to their hand tools. Those costs are excessive and the annual updating and replacement of tools are additional costs. Automotive technicians receive no income tax assistance.

The petitioners therefore request that Parliament amend the existing Income Tax Act to address the plight of automotive technicians.

DRUGS AND PHARMACEUTICALS

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have two petitions. The first one states that Bill C-91 allows brand name drug companies to market their drugs without competition from generics for periods up to 20 years. The prices of both new and existing drugs have already increased substantially as a result of Bill C-22 which allows a 10-year period of no generic competition.

The petitioners ask the House not to proceed with Bill C-91 and to repeal Bill C-22, which was passed in 1987. Therefore Canadians will have the full benefit from lower priced generic drugs and provincial and private drug plans will be able to serve Canadians without being forced to charge higher fees or provide less coverage.

• (1220)

KILLER BOARD GAME

Mr. Robert E. Skelly (Comox—Alberni): My second petition relates to petitions presented previously by a number of people in the House concerning the serial killer board game.

The petitioners call on Parliament to consider amending the Criminal Code of Canada so that violent and degrading material such as the serial killer board game and the mass murderer trading cards can be kept from being distributed in Canada.

CHRISTINE LAMONT AND DAVID SPENCER

Mr. George S. Rideout (Moncton): Madam Speaker, it is my pleasure to present a petition from numerous residents of my riding concerning Christine Lamont and David Spencer. They have been sentenced to 28 years in a Brazilian prison and have suffered miscarriages of justice, cruel and unusual treatment and discrimination in sentencing and parole.

The petitioners urge the Prime Minister to request of the Brazilian government the expulsion of these two Canadians and return them to Canada.

YOUNG OFFENDERS ACT

Mr. Brian O'Kurley (Elk Island): Madam Speaker, pursuant to Standing Order 36 I have the honour to present three petitions which include the names of hundreds of Canadians in and around the Elk Island riding. Many of these people are from the communities of Fort Saskatchewan, Beaumont, Sherwood Park, Gibbons, Redwater and the entire Edmonton area.

The petitioners ask Parliament to revise the Young Offenders Act. They are concerned that there should be harsher penalties for young offenders and the act should be changed to make young offenders more accountable for their crimes.

KILLER BOARD GAME

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, I have two petitions to present to the House today pursuant to Standing Order 36.

The first group of people from the city of Penticton in my riding are concerned about the links between violence and entertainment. They are petitioning Parliament to consider amending the Criminal Code of Canada so that violent and degrading material such as the serial killer board game can be kept from distribution in Canada.

TELECOMMUNICATIONS

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, my second petition is from citizens of the city of Grand Forks. It concerns the present telephone system and their fears under the Unitel thrust that there will be increased costs to local communities.

The petitioners urge the Government of Canada to consult with all affected parties, especially rural residents who are at risk of substantially increased costs for local telephone calls. They further urge the government to hold hearings in rural communities before deciding the fate of Canada's telephone system.

KILLER BOARD GAME

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I wish to table today an additional 10,180 signatures in a petition asking the government to ban the serial killer board game.

This is in addition to the 14,222 signatures that I tabled some days ago for a grand total of 24,402 people who have expressed their displeasure at the possibility of this product coming into our country.

I want to thank all Canadians who signed this petition. I have several thousand more signatures that I intend to present in the next two weeks.

TAXATION

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, I have the pleasure to table a petition signed primarily by the residents of Prince George and Fort St. James in my riding.

These constituents continue to express their concerns about the goods and services tax. They call upon the government to bring in legislation to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations and to develop a fair tax system in Canada.

WATER DIVERSION

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, it is my privilege and duty in accordance with Standing Order 36 to present a petition from a number of residents of Kamloops, B.C.

The petitioners point out that Multinational Resources Company has announced its intention to divert the North Thompson River at Valemount in order to sell the water in the region of California, U.S.A. They point out also that the federal government does not prohibit the diversion of Canadian rivers into the U.S.A.

The petitioners therefore urge the government to state categorically that it will not permit our freshwater rivers to be diverted into the U.S.A. and to state that our Canadian rivers are not for sale.

* * *

• (1225)

QUESTIONS ON THE ORDER PAPER

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, question No. 468 will be answered today.

[*Text*]

Question No. 468—**Mr. Proud:**

How many programs does the government presently have that offer (a) direct assistance or grants to businesses (b) indirect assistance or grants to businesses?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): The 1993–94 Main Estimates tabled by the President of the Treasury Board on February 25, 1993, contain a number of federal programs which provide assistance to business.

The main financial assistance programs can be found in the following departments and agencies: Industry, Science and Technology Canada, Atlantic Canada Opportunities Agency, Western Economic Diversification Canada, Federal Office of Regional Development—Quebec, Export Development Corporation, Canadian Commercial Corporation, Farm Credit Corporation and Federal Business Development Bank.

Other direct and indirect business support programs are provided through sectoral activities which can be found in departments and agencies such as Agriculture, Forestry, Energy, Mines and Resources, Transport, Employment and Immigration, Indian and Northern Affairs, External Affairs and International Trade Canada, Consumer and Corporate Affairs Canada, National Research Council, National Sciences and Engineering Research Council, and Canadian International Development Agency.

Details could be examined in the respective part IIIs of the departments and agencies noted above.

[*English*]

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

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

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-112, an act to amend the Excise Tax Act, the Access to Information Act, the Canada Pension Plan, the Customs Act, the Federal Court Act, the Income Tax Act, the Tax Court of Canada Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act and a related act, be read the second time and referred to a legislative committee in the Economics envelope.

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, I have a few words to say on Bill C-112.

Maybe by way of background we could recall the events of 1990. The government told Canadians and Parliament that it was going to have some tax reform. It went on to say that it would not just be tax reform, it would be tax reform in the best tradition. The government undertook to ensure that the reform would result in fair and simplified taxation.

It spared no effort, as will be remembered, in ensuring that its tax reform package got through the system. It used every rule in the book and invented a few rules. It broadly interpreted some other rules to ram the tax changes through this House.

Mr. Whittaker: To say nothing of the eight GST senators.

Mr. Simmons: My friend from Similkameen feels a speech coming on. I did not hear what he was saying. I was coming to that but he reads my notes well from back there with those glasses.

My friend from Okanagan—Similkameen—Merritt just reminded me of something I want to mention to the House. The government used every rule in the book and every perversion of most of the rules to get the GST, and that is what I am talking about in case some of my friends on the other side of the House have forgotten so soon, the goods and services tax. It is called many other names by those 85 per cent of Canadians who vehemently and strongly oppose that tax measure.

[*Translation*]

I see my honourable friend, the Minister of Transport, has entered the House. I hope he will make a speech on the subject later on, to indicate to Canadians whether he still supports these measures.

[*English*]

Mr. Corbeil: Like the Grit sneaky tax.

Mr. Simmons: I would love to hear the Minister of Transport tell us. He seems to be seized with the—

Mr. Siddon: Can I not get an honourable mention here?

Mr. Simmons: They are all excited over there this morning. It must be the leadership. They all see themselves as the Prime Minister of this country. God knows we need a Prime Minister for this country. Need we look further? Why the Minister of Transport and the Minister of Indian Affairs are not out there running, I do not know.

We were talking about the GST, so understand the diversionary tactic. They are not particularly excited about having anybody talk these days about the GST, but I want to do it for a few minutes for old times' sake. I want to one more time before this administration disappears because we are told that as of June 15 it is a whole new millennium, a complete change. All the bad deeds of this administration are going to be swept under the rug, all will be new, there will be a new day dawning around June 15, and all the bad, terrible policies of the Conservative administration will be forgotten by Canadians.

• (1230)

I do not know if the Conservatives are going to invent a new pill, a kind of amnesia pill. Is that what they have in mind? Maybe they are going to administer to all Canadians some kind of a prescription for a pill that will make them forget the bankruptcies of the last eight years. I am not talking only of the bankruptcy of ideas, there has been that as well, but about the pain that has been inflicted on individuals, families and corporations out there, on people trying to do business, trying to run their homes, and trying to maintain and manage their family budgets. I am talking about that kind of bankruptcy, that kind of pain.

What kind of amnesia pill are they going to need—in a quantity of 27 million, and some of us might need a double dose so they had better make a few extra—to get Canadians, including the 12 per cent who still support the government, to forget the pain that has been inflicted by this administration over the past eight or nine years?

Before that millennium arrives and before we get into that brave new world let us talk about another brave new world, the one of late 1988, 1989 and 1990 when this government came before this House and before Canadians and said: We have a great idea. It is called tax reform, it is called the goods and services tax, and we promise it will be fair.

Now that it has been implemented for just over two years, since January 1991, go out there and ask almost any Canadian how fair the GST has been for him or for her. Ask the person who is in university and who must buy some books how fair the goods and services tax is. Then remember that the goods and services tax was going to lower prices.

The Minister for Indian Affairs needs another honourable mention. We need to tell Canadians that he is here signing documents in the House, placing his *x* on every sheet he has in front of him.

The goods and services tax was supposed to lower prices. It was supposed to be simple. We all remember the very thick document that was put through this House over our objections, over my objections. That was only two years ago. Remember what this tax instrument was going to be. It was going to do away with the manufacturing tax, and yes it did that. It was going to collect some money, and it has sure done that; ask almost any Canadian. It costs a lot to do it. The government will not tell us how much it is costing but it is costing an awful lot of money to collect this goods and services tax. It is costing so much that the government has elected to hide the totals on that particular issue.

It was going to be a simple tax. That is what the former Minister of Finance said the government wanted. He said that it wanted to simplify the tax system. If we want to understand how it has simplified this particular tax then we have to understand the double-talk of this government on many matters. When it says it is going to do something then that is code for saying that it is really going to do the opposite but for the record it has said it will do something else.

On this issue it has been no different. It said it was going to have a simple tax, it was going to have a GST and, boy, girl, is it going to be simple.

After two years Canadians love the simplicity so much that the government has come up with a bit more simplicity, another 350 pages of simplicity. How is that for keeping its promise? The most convoluted, diabolical, and unpopular tax in Canadian history now becomes the most complex tax in Canadian history.

• (1235)

Now, two years and two months into the new tax regime it needs another 350 pages of rules to explain it and make sure it is milking every last cent from those who have to buy books to go to university and from those who are trying to operate small businesses.

I suppose this bill is not a bad opportunity to also remind Canadians about this government. I am not just talking about the gentleman from Baie-Comeau. Sure, he is the leader of that government and leader of his party but he is not the only one responsible for the government's policies, unless the Conservatives have been having a one man show over there. I understood it was a great democratic institution in which everybody had his say. I suppose they mainly say: "Me too", but they have their say.

I am sure the Minister of Indian Affairs has his say. He is known to have not only a considerable mind but a fairly independent mind so I am sure he has his say. Nobody would suggest that he would be a sheep in any administration or any caucus, so we know there is one voice over there speaking out. I know the member for St. John's West, the minister of fisheries, is a man who would not sit quietly by if he saw something of which he did not approve. I could go down the line and mention other people on that side of the House who have established their reputations in their constituencies and across this country as people of integrity and independent mind. I believe that, but which is it? Are they, generally speaking, people of independent mind and integrity, as I believe, or are they a bunch of sheep?

Are they a bunch of sheep saying: The devil made us do it, the only reason we went along with all these policies over the last eight years was that we had a fellow

from Baie-Comeau who was leading the charge. That is what we are going to hear over the next few months. They are going to say: All those tax measures are all the legacy of one man, but he is gone now and it will be a brave new world. Which is it?

Were they the team of men and women pooling ideas to put before the House to help run the country, the team they pretended to be and said they were for the last eight years, or were they a bunch of people in bondage? Were they 150 or so people in bondage, being slave-driven by one man from Baie-Comeau who foisted his unpopular ideas and theories of government on everybody? Which is it? It cannot be both.

If this tax measure today and the one that it addresses, the GST, is the brain-child of this government then by extension it must be the brain-child of the minister of employment, who would like to be Prime Minister. It must be the brain-child of the Minister for International Trade, who would like to be Prime Minister. It must be the brain-child of the Minister of National Defence, who would like to be Prime Minister. It must be the brain-child of the Minister of Communications, who would like to be Prime Minister.

I put that on the record because we are going to see the reintroduction of the Tory two-step during the next three months leading up to the leadership convention. The old Tory two-step, in philosophic terms, tends to have it both ways. It tends to move in both directions at once depending on what theory is being supported at the moment.

I have seen a bit of it already, and I am looking forward to that exercise, that fast dance which allows the Minister of Employment and Immigration, Minister of Communications or Minister of National Defence to say in the same mouthful: "Yes, I fully support the gentleman from Baie-Comeau but if he did not have me in complete bondage I would have done it differently".

What we are dealing with here today on March 12 is no different than what we will be dealing with on June 20 or 21, 1993, after the Tory leadership has been resolved. That is the record of an administration of 35 or 38 people, one of whom will likely be the new Prime Minister at least on an interim basis. That is what we are dealing with.

• (1240)

That record is the record of that government, that administration, and not the record of one man. It has to be, particularly when it comes to matters of taxation and tax reform, one of the most arrogant records in Canadian history. Why? I say that because this is the administration that imposed the GST, the most hated tax in Canadian history, not only without proper consultation with Canadians but over the almost unanimous objection of Canadians. Fully 85 per cent had voiced their opposition to this particular tax.

This is the administration that imposed the GST on small businesses, despite their strenuous objections. This is the administration that imposed the GST on provincial governments, despite their objections.

It is true that these changes do not portend any brave new world. They are a bunch of technical changes that will facilitate certain matters and perhaps make the tax grab a little bigger here and there and that kind of thing. The deed was done two or three years ago when the GST was rammed through this House. This is just sharpening the guillotine blade. That is all it does. This is not the policy instrument, it just sharpens the guillotine blade to make sure the head is completely severed rather than doing a clumsy job as in the past couple of years.

Let us be clear, whether they cut my head off cleanly or clumsily they have decapitated me. Whether or not we have another 350 pages of amendments and technical changes is not the real issue here today. I am sure that as we get to clause by clause it will become the issue because the rules require that.

Surely at this point in time the issue is very much the principle of the kind of legislation and the kind of tax reform and taxation measure which this bill is based on. That is why I have used my time to remind us of what this tax was supposed to do. It was supposed to be simple, but I think we can lay that promise to rest. It has gone the way of a lot of those other promises. When the government says simplicity it does not necessarily mean simplicity. When it says fair it does not necessarily mean fair. Do not take my word for it. Ask almost any Canadian who has been paying the GST over the last couple of years.

This is the administration that has increased taxes on Canadians 38 times since 1984. Do not forget that the GST is just one of them. Is it any wonder that the public has no real confidence in the fairness of our tax system? One of the effects of the machinations of the Tories on these issues, on tax reform, other than destroying confidence, has been a larger underground economy than ever before. If there is one area in which this government can take some backhanded credit for improving the economy it is the underground economy, which is the people who have found it convenient to engage in peddling services and goods in such a way that there is no record of the sale and therefore no particular need to collect the tax.

These machinations by the government have undermined consumer confidence. This undermining of consumer confidence is one of the reasons that the recession we are gripped by continues and has deepened.

• (1245)

There will be an election some time in the fall or some time between now and the fall. I suspect it will be in the fall. It is very likely there will be a change of party in power. That is certainly one of the possibilities. I will not be partisan on that point because I see my time is up. However there will be a change and somebody will have to deal with this.

In conclusion let me say how we in this party propose to deal with the issue. We have said we would wipe out the GST. We intend to do that. We are not going to be like our friends in the NDP who think it can just be cancelled and $15 billion will come out the sky from somewhere. Nobody in this party has said if we became the administration we would have what we used to call in high school the big rock candy mountain where everything was free.

There will be taxation. That will come as no surprise to any Canadian. There will be taxation. What we have said and continue to say is that it will be fair taxation. To do that we have said that during the first year of our mandate we will consult Canadians, which is more than this administration has done.

I see my time is up. I wish I had a little extra time to explain to the minister because he is a doubter. He may not vote for us anyway, but I want to tell Canadians who were not consulted last time that this time they will be consulted.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, I have listened with rapt attention to my hon. friend from Burin—St. George's. I have a couple of comments and questions for him.

I noted during his speech that he talked about how the GST had led to massive numbers of bankruptcies throughout Canada. As I travelled across Canada on the GST hearings I noted this was one of the things we ran into. People were predicting the problems the GST would cause them as small business people and people who had to deal with the tax on an ongoing basis.

Another thing became clear to me, particularly in the province of Newfoundland, the Northwest Territories and Yukon, that the cost of living in these three areas of Canada was substantially higher than many areas in central Canada and in my western province of British Columbia.

I wondered from his perspective whether it has been shown that the cost of goods and services is often higher. In some cases in the Northwest Territories, for instance, it was quoted as high as 58 per cent above what it was in centres such as Edmonton and Toronto. In St. John's, Newfoundland the predictions were that the cost of living was some 21 per cent higher. It seemed to me this was an unfair tax.

I have looked at Bill C-112 and I have not been able to find any amendments to make the tax fairer for people in these regions who are already paying more than their full share of taxation, who are already in some cases the most impoverished people in Canada with the highest unemployment rates. Yet this government through its GST legislation appears to be hitting them harder than those in the rest of Canada with a consumption tax.

I would like the member's comment on that. I would also like his comment on whether there is anything within the particular bill that would lead us to believe they will use any of their amendments to help with the education of Canadians through removing taxes on books and publications for educational purposes, or even for casual reading.

Is there any amendment to help people in the educational area and to help the people in Newfoundland, Labrador, Yukon and the Northwest Territories?

Mr. Simmons: Madam Speaker, I thank my friend from Okanagan—Similkameen—Merritt. He rightly zeroes in on two important issues that flow from this debate.

• (1250)

The cost of living differs from place to place in this country, as he has so kindly drawn to the attention of the House. It is different in Newfoundland, in the Northwest Territories and in certain more geographically remote and less populated parts of the country. In normal times that places an extra financial burden on people who make their lives and their homes in those places, such as in my province of Newfoundland and Labrador.

That problem, as my friend from Okanagan—Similkameen—Merritt has rightly implied, was aggravated with the introduction of the goods and services tax. The way it is manifested now, to respond to his question, is that I find people are saying to me quite candidly that they want to buy an item but with the extra 7 per cent GST they cannot afford it. They are delaying purchases or they are avoiding purchases.

I will give one example arising from a conversation I had in the last few days. Many people in rural parts of the country rely on all-terrain vehicles and/or snowmobiles or ski-doos as we call them, which is one of the trade names, to get their firewood, in some cases to get their water supplies and for transportation itself. I was talking to a person a few days ago who wanted to buy a ski-doo for about $4,500. Some cost more than that, as we know. He wanted to buy the ski-doo but the extra 315 bucks federal tax on it made the difference between his being able to afford that item and not being able to. For him it is not a luxury or recreation vehicle; it is a work vehicle. That is the way he hauls his wood. That is the way he gets his water. That is the way he goes to work in some cases. That is the way he travels. That is his transportation. That is his wheels, as we say.

The short answer to my friend from Okanagan—Similkameen—Merritt is that the GST for those people already clobbered by a high cost of living clobbers them to the point where they are foregoing purchases really necessary to their lifestyle, to their way of living.

The second point he raises relates to books. I have always thought that surely even a government so ruthless as this government must have some limits. I thought that books would have been the limit. When that furore arose at the time debate on the bill was in progress, I thought the government would have at least had enough political moxie—if no conscience at least enough political smartness—to smarten up on this one.

The government said in one mouthful: "We want to help Canadians become functionally literate". In the next mouthful it said: "But we are going to tax your effort to become literate. We are going to tax books for leisure reading, casual reading, in the main flow of education at universities and so on. We are going to tax books". That has to be knee-capping of the worst order. A government that perhaps has no sensitivity should at least have had some sensitivity to its own survival, some basic political smarts.

I thank my friend from Okanagan—Similkameen—Merritt for his question. I am as appalled as he is that on the matter of books the government did not see fit to act differently. I can confirm to him that after the fact, two years into the GST measure, this tax on books is an inconvenience. It is dissuading people from pursuing as aggressively as they would like matters related to education and literacy.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, I rise today to put my comments with respect to Bill C-112 on the record. Sometimes I can say it is a pleasure to rise to speak on bills. However, with respect to Bill C-112, rather than it being a pleasure it is a somewhat painful experience.

After going through some of the amendments in this massive bill I recalled the arguments of the government as it was bringing in the GST. Under the manufacturers' sales tax and the federal sales tax regime there were so many interpretations of the former taxation rules and laws the government wanted to change them for a number of reasons, one being simplification.

• (1255)

We have already had some simplification as a result of its amendments. Now we see in 348 pages of amendments a further simplification of the goods and services tax, further exemptions and further deletions.

Previous speakers have spoken on some of the things not included in this bill that have been requested by thousands of Canadians. I refer very specifically to the deletion of taxation on reading materials. We have just come through literacy day, literacy week and literacy month. The government pays lip service to doing what it can to increase the literacy of all Canadians. The statistics are clear. Those who are functionally illiterate are often the ones who have to take the lower paying jobs and have a harder time surviving in the job market in Canada.

Essentially the government has placed a taxation on education on the one hand with the GST. The majority of Canadians would shake their heads to realize that on the other hand it is putting money into trying to increase literacy in Canada, paying it lip service.

Do not get me wrong, Madam Speaker. More money has to be put into trying to educate Canadians and to ensure that we are the tops in the world with respect to literacy, job availability and income. We can do that through ensuring that the majority of our population, wherever they live in Canada, has equal opportunity to education, to learn to read at least functionally, and to survive in today's modern and technical world.

When we look at Bill C-112 we expect to see a small amendment to encourage people to read rather than the addition of a 7 per cent penalty on learning. We look through the bill to see whether it is one of the amendments and we see the changes mentioned earlier. We can now get a six-pack of yoghurt tax-free and the tax on bull semen is rebatable although not tax-free. However we still have a 7 per cent penalty on education through the taxation on reading materials.

Even though I speak of that specifically I do not suggest for a minute that the goods and services tax is a tax that should have been passed in Canada. Almost 85 per cent of the people of Canada did not originally want the GST. Now that they have seen it, they would like to see the GST scrapped. That is something that we should be discussing, not 348 pages of amendments. We should be discussing legislation that does away with the goods and services tax, that repeals this regressive taxation of Canadians.

What has the GST done for Canada? Why was it put into effect? I do not deny the fact that it was time to get rid of the manufacturers' sales tax.

• (1300)

The argument was that we had to be more competitive on international markets by getting rid of the manufacturers' sales tax. We had to bring in fair taxation. The government chose its version of a value added tax in order to help its wealthy friends, those who were pushing it, who saw it as a benefit to themselves.

When the GST was brought in there was supposed to be a drop in certain retail prices. I recall in one of the hearings a manufacturer of auto parts, a person who very truthfully sat before the finance committee and when asked if Canadian consumers would see a drop in the price from the plant gate as a result of the saving on the 13.5 per cent manufacturers' sales tax answered no. He said it would not be passed on because of the administrative costs of the goods and service tax for business and for other sundry events that would occur. He told us that if anything was left over it would be built into profit.

I think over the period of time we have had to look at it and particularly when you talk to auto parts dealers, that is exactly what happened. They got new price lists that simply were the old price lists with increases of 7 per cent for the GST.

This tax has not only hurt the small business community but in some cases in many border towns it has destroyed many businesses.

Walking up Bank Street in Ottawa you see every few blocks a number of stores that have closed down, with signs in their windows saying "Bankruptcy Sale, Going Out of Business" or "Bankruptcy Sale, Pre-Closing Sales". Some of these businesses have been established for a long time.

When you talk to these business people, a number of factors have pushed them to the conclusion that they must go out of business or that they are now to the edge and must declare bankruptcy or the receivers will move

in because they cannot pay the loans they have incurred in order to stay in business.

When you talk to them it is the cost of the administration of the GST that is always mentioned. People no longer come in and buy some of the articles because the 7 per cent GST has put the articles out of the range of some low income earners.

For those with higher incomes, 7 per cent on an article they may want to purchase will not make that much difference as to whether they buy it or not. If they want it and they have the money they will purchase it.

People on fixed incomes have to watch money carefully to ensure they have food and clothing for their children and a roof over the heads of their families. That 7 per cent is a major chunk out of their income.

The government will argue that they get a rebate, that each quarter they get some money back. What you find in talking to some of these low income people is that the rebates often go in the fall, for instance, to purchase something for the children so that they have something new to wear to go back to school.

As winter comes along the children need winter boots and overcoats. Often they are forced to purchase these things not at the regular price but at second hand stores and taking hand-me-downs. The 7 per cent on top of that makes a lot of difference to them.

• (1305)

What can we get out of this bill? Who does it help? I suggest it has helped those who have pushed it, such as large business corporations. Those with a lot of money are getting more as a result of this. The middle income class once again is getting the shaft.

I recall a prediction that the manufacturers' sales tax was supposed to bring in $18.5 billion in net revenues to the government coffers in 1991. In the public accounts I see that the GST has brought in gross revenues of slightly over $28 billion but of that $28 billion over $13 billion is paid out in administration and tax rebates. There is slightly over $15 billion in revenues as a result of this, a $3 billion shortfall over what was originally anticipated with the manufacturers' sales tax. Why is that?

It seems that what has happened is that the cost of administering this was much higher than we had been led to believe. The monetary and fiscal policies of this government have driven us into the deepest recession probably in Canadian history and people are not purchasing. Part of the reason they are not purchasing is the high interest rates we had until recently, high dollar, import goods and the GST.

I live in the border town of Osoyoos, British Columbia, and I watched the effect of the goods and services tax on the business communities in our area. As the dollar rose, more and more people flooded across the border, purchasing a lot of goods and many services where they did not have to pay tax. A survey was done of those crossing the border over a two-week period and well over 80 per cent of those surveyed said they were shopping in the United States because they were fed up with taxation in Canada and specifically the goods and services tax was the straw that broke the camel's back. They were not going to pay it and they did not care what the effect was on Canada. They did not want this tax. They could see that large corporations were benefiting and that they as low and middle income earners were hurting.

Almost 30 per cent of the population of the Okanagan Valley is over 65 years of age. Those on fixed incomes said they could not afford the extra 7 per cent they had to pay out for their goods and in some cases their services. They went across the border to get the goods they felt were cheaper.

It had a devastating effect on the small business community of Osoyoos but we watched it tremor up through the Okanagan Valley so that when you went up to Kelowna, some 80 miles to the north the merchants there said that even they were feeling the effect of the goods and services tax and cross-border shopping.

What is the solution? The Liberal member for Burin—St. George's says that the Liberals would wipe out the tax. I would suggest that that is the Liberal position today, but as we have seen the Liberals have changed their position several times. When the GST was introduced by this government the Liberals were split. They could not decide whether they liked it or whether they did not like it. They could not decide whether to bring in alternatives or not. What they finally said was: "We just do not like it. We have no alternatives but we are going to watch this tax".

• (1310)

Later on, after it was brought in, they said: "Well the people of Canada do not like it, perhaps we should get rid of it and maybe we should bring in this little sneaky tax, a tax that will be hidden". They looked at that aspect and how to change it but they knew that would not be popular because it would tax everything, including food, it would be a hidden tax and people would not truck with that. Therefore they said that they would not go along with that.

All of a sudden they said: "Maybe we would make some amendments to the tax". Today they are saying: "We will wipe out the GST".

However I was pleased to see the member finally come around to the position of the New Democratic Party when he said that it would be phased out. I just hope that the Liberal Party will recognize that the phase-out period must be specified and the alternatives that they have to the tax must be specified before an election is called.

I am also pleased to see that the Liberals are finally talking about fair taxation, something that they did not understand when they were in government prior to 1984 and certainly something that the Conservative government has had no inkling about over the last nine years of their short stay in power.

What has happened over the period of time with this tax and who are these amendments in Bill C-112 going to help? I would suggest the same thing once again; that it is not going to help anybody but the large business community. It is not going to help education. It is not going to help the people in Newfoundland and Labrador, the Northwest Territories or Yukon in equalizing taxation and equalizing the cost of living for them.

One other point I would like to make is not on the GST but another amendment concerning the Unemployment Insurance Act. While a minor amendment, it reminds me of the inequities in the Unemployment Insurance Act which was before this Parliament last week and which increases the power of unscrupulous employers.

It seems to me that we should be seeing some changes in the Unemployment Insurance Act ensuring that employees are treated fairly and that unscrupulous employers are not able to use glitches within the system to blackmail their employees into staying and working for them in circumstances under which nobody would want to work.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I know that the hon. member for Okanagan—Similkameen—Merritt has a large seniors' population in his constituency. I also know he is a man who would want them to be fully and correctly informed about the facts.

In reading the local newspapers in the member's riding and listening to his intervention today, I have been troubled by the fact that he is not telling the whole story. I think it is important that the record of the House show that is the fact.

In fact, under this government since 1985, but in particular during the last three years, we have seen the net disposable income of our senior citizens increase after correction for inflation and taxes. I think he would want his constituents to know that.

In fact, the policies of this government which have brought inflation down to its lowest level in more than 25 years represent a net saving to Canada's senior citizens, the persons most in need of assistance from the government. Those inflation controls have reduced the escalation of all the costs that senior citizens and the disadvantaged in society have to bear because of the policies of this government.

The GST tax credit, which the member did not speak of, puts dollars right into the pockets of senior citizens. He has not recognized that it offsets any negative impact for the vast majority of Canada's senior citizens. In fact, most of them come out dollars ahead because of the GST tax credit.

• (1315)

I should also point out that the exemption of food, pharmaceutical products and rent from tax also helps senior citizens and the disadvantaged in society.

The bottom line is that the tax on manufacturers was penalizing and crippling Canadian manufacturers and killing jobs in Canada. By removing that tax we have created a situation where there is much more competition in the marketplace.

Prices are lower and there is more variety. I defy the hon. member to go to the Canadian Tire stores, the grocery stores, the shopping centres in his constituency. He will find more variety, more sales and better choices for consumers of higher quality products than ever before. This is because we removed the tax on Canadian manufacturers. He would be irresponsible in suggesting that we do not have to make that tax up in another way, which most Canadians now have come to understand and accept as necessary to avoid creating a mortgage for our grandchildren to pay.

The question is simply this: Why does the hon. member not tell the senior citizens and the disadvantaged in his constituency that the disposable income of Canadians is $1,500 greater per capita today than it was three years ago?

During the life of this government the disposable income of Canadians, the additional money they have to spend, has increased. That applies more to senior citizens than to the average middle-income Canadian. It is time he told his constituents the truth and the whole truth and not embellish the truth the way he has done.

Mr. Whittaker: Mr. Speaker, it is a real pleasure to speak to one of my part-time constituents, the Minister of Indian Affairs and Northern Development. He has a residence in Kaleden which is in my area. I hope he will be able to vote for me in the upcoming election. I know he realizes that I have been telling the truth about this government and that I have done a good job in this area. He even hears that from members of his own party in Penticton which I am always heartened by.

Let me just point out to the minister as well as to the people in my riding and the rest of Canada that what the minister has not told us is that since this government came into power Canadians are paying approximately $1,858 more every year in federal taxes than they were in 1984.

Look in the estimates to see what this government has done with respect to seniors. It has chopped the Seniors Independence Program and cut the New Horizons Program by 40 per cent, a program that has been well used by seniors in Okanagan—Similkameen—Merritt as well as the rest of Canada.

He talks of inflation control. Just last Friday in my riding office I was speaking to a senior woman who brought in her old age pension cheque. She explained to me that she had received an increase in that particular cheque of $2.17 over the previous period. I tried to do what the government would do. I explained to her that the inflation rate had dropped and that the Old Age Security was tied to the inflation rate.

She mentioned to me something I already knew and which I would like to pass on to the minister and the government. That rate is based on the food basket and other things. In her area the cost of her housing has gone up something like 15 or 16 per cent over the last year, yet she received an increase of 1.2 per cent. Her heating and utility bills have gone up substantially. The cost of food and related things has gone up. Therefore, her cost of living has gone up 12 to 15 per cent over the past year. However, she was receiving based on the cost of living index across Canada an increase of something like 1.3 per cent on her Old Age Security cheque.

That is the reality of what is happening to the seniors community in my riding and I would suggest the seniors community across Canada.

• (1320)

I dealt with the tax rebates and I know exactly what happens. If the minister were to look at the statistics he would see that often the tax rebates in some cases and in some income levels, yes, are up and above what would normally be paid out in taxes. I do not deny that. My point is that as predicted what is happening is that as these quarterly payments come in people are so up against the wall they are using them to purchase necessities of life.

Recently because one woman had to call in a plumber she did not have sufficient money by the end of the month to buy food for her three children. The GST rebate is being used for things such as that.

The minister mentioned that passing on the taxation was a mortgage for our grandchildren. Let me point out to Canadians and to this minister that under this government our national debt has more than doubled. We are now $460 billion behind the eight ball. Look at the budgets over the last two years. We see predictions of a year and a half ago that our deficit this year would be $22 billion. In October last year, a scant eight months after the last budget, we saw that the prediction was $34 billion.

Now we are hearing sounds from the Minister of Finance that our yearly deficit will be over $34 billion because of this government's monetary and fiscal policies even though the interest rates have dropped, saving this government a couple of billion dollars in interest. This government can still not face up to the fact that it has made a mess of its tenure in office. It has made a mess of the finances of this country. This government is leaving a negative legacy for our grandchildren.

I have this to say to the government: Shame on you, good-bye after the next election.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 45(6), the recorded division stands deferred until six o'clock p.m, Monday, March 15, 1993.

* * *

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Bernard Valcourt (for the Minister of Finance) moved that Bill C-102, an act to amend the Customs Tariff, the Excise Act, the Excise Tax Act, the Customs Act, the Criminal Code and a related act, be read the second time and referred to a legislative committee in the Economics envelope.

Mr. John A. MacDougall (Timiskaming—French River): Mr. Speaker, I am very pleased to have the opportunity to rise in the second reading debate on Bill C-102. It is an important bill which will give legitimate legislative effect to excise and tariff measures announced over the past 18 months.

• (1325)

The primary purpose of this bill is to implement a range of measures developed in response to serious problems Canada is facing in the areas of cross-border shopping, tobacco smuggling and tobacco tax evasion. The bill also contains routine administrative and technical tariff changes. I will take a few minutes to review a few of the proposed changes in the legislation.

There is the broad series of measures to address the problems of tobacco smuggling and tax evasion. These measures were announced in February and April 1992.

Last week I was in my riding of Timiskaming—French River. I was talking to a grocery store owner. Until a very short time ago he averaged around $3,000 a week in cigarette sales. As we all know, the government and individual Canadians are very concerned about the health factors of smoking. This gentleman indicated it was not that individuals had stopped smoking. It was more a matter of the number of cartons of cigarettes coming into northern Ontario that had been smuggled across the border and the resulting tax evasion. His sales had dropped from $3,000 to something under $1,000 a week.

One regrettable aspect is that as a small businessman he has lost those sales but for Canadians there are all those taxes that were not paid. It is also regrettable that those cigarettes are still being purchased but they are being purchased at a very reduced price. In fact, it is somewhere around $4 a package under the table.

I applaud the government and the minister for taking these steps. For all Canadians, both those who may have the habit of smoking and those who do not, it is only fair that there should not be a break. There should not be an opportunity for the evasion of taxes by smuggling cigarettes into this country. I believe the proposals in both these budgets made a great step forward.

The adjustment to the excise tax rate on cigars to ensure that cigars are not taxed at a lower rate than cigarettes was announced in September 1991.

I really want to applaud the government and the finance minister on the elimination of the excise tax on ethanol and methanol portions of motor vehicle fuels. This is to encourage the development of fuels made from renewable feedstocks announced in the February 1992 budget. Again, I must say that it is a step in the right direction. Until this morning I was Parliamentary Secretary to the Minister of Energy, Mines and Resources. The individuals within the energy sector I have talked to over the past four and a half years were certainly very pleased to see that the taxation was taken from that.

Let me again refer to the great riding of Timiskaming—French River where we are looking now at the opportunities for getting an ethanol plant into that region. It is a region that certainly has a heavy base of agricultural products. We can look at using corn stock, grains, artichokes, sugar beets or whatever. We will also be able to use wood products and wood waste. That is another resource which is abundantly ready for us there.

Until the changes which took place in the February 1992 budget it was next to impossible to get anyone interested in investing in either ethanol or methanol. It certainly shows the vision of this government. It is a vision of ensuring the expansion and opportunity for the rural parts of this country. The fact is the finance minister listened to the people in the industry and the agriculture community in the rural parts of Canada. They stated that we had to have a resource that we could develop and enhance and that was ethanol and methanol.

Another item I would quickly like to review is the removal of customs duties from about 25 consumer products announced in the February 1992 budget to help address the cross-border shopping problem. That is another indication of how the government has listened to consumers and retailers, and to members of our caucus who were greatly concerned that changes be made.

• (1330)

Finally, there are the technical changes to the Customs Tariff to respond to industry concerns and meet our international obligations announced in the April 1992 economic statement, and some minor consensual amendments to the Criminal Code and Customs Tariff related to last year's gun control package.

I could certainly go on for a great deal of time on these subjects. The changes we are looking at are correct and are aimed at helping individual Canadians and those involved in the business side, or Canadians over-all, in regard to customs and excise.

I hope that we can see quick passage of Bill C-102 this afternoon because it certainly takes a correct step forward for all Canadians.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, in speaking to this bill which, as the hon. member for Timiskaming—French River said, is an act to amend the Customs Tariff, the the Excise Act, the Excise Tax Act, Customs Act, Criminal Code and a related act, one would have difficulty in speaking about this or any other method of taxation without the total perspective of where we are coming from.

I think most of us in the House at one time or another in the last four and one-half years have made many presentations, addresses and statements and have asked many questions in Question Period on the economy. I had some indication I would be speaking on this today and I want to put it into the perspective of where we are going with the business of raising money in Canada and spending it.

I thought I would go back to 1984 when the government took power. I want to have a look at some of its promises and aims and I want to look at how they may have been achieved. That might take a long time but I promise that it will not take as long as it might seem. I am not going to go through every budget. I am not going to read every single aim for every single year.

It might be instructive for the House to recall the first budget that the Conservative government put forward on November 8, 1984. I would like to put on the record what the four aims were. The first aim was to put our own fiscal house in order so that we limit and ultimately reverse the massive build-up in public debt and the damage and impact this has on confidence and growth.

The second aim was to redefine the role of government so that it provides a better framework for growth and job creation and less of an obstacle to change and innovation.

The third aim was to foster higher investment, greater innovation, increased international competitiveness and a positive climate for the growth and birth of new enterprise.

The final aim was to bring about these changes in a way that is fair, open and consistent with the basic sense of compassion, tolerance and justice that is characteristic of Canadian society.

When that presentation was made the deficit was believed to be $35 billion and the national debt was $168 billion.

In the budget the following year, May 1985, the four aims were slightly different but in principle fairly similar. They are much shorter so I am going to read them as well. The first aim was to create a tax structure that gives greater encouragement to individual enterprises, risk taking, entrepreneurship and investment. The second aim was to improve the fairness and equity of the tax system. The third aim was to reduce the deficit in the short run through the imposition of temporary surtaxes. The fourth aim was to put in place a revenue structure that would generate resources growing slightly faster than the growth in the economy, thus providing continuing help in the reduction of the deficit over the medium term.

• (1335)

That was in 1985. The annual deficit was about the same at $35 billion, but the national debt had grown beyond $168 billion. I will spare the House going through every budget, 1986, 1987 and 1988. Those were years when growth was big. The country was growing and the western economies were growing. We went through 1989, 1990, 1991 and 1992. On December 3, 1992 the Minister of Finance, a new Minister of Finance, introduced his mini budget, as it was called, which said how terrible it was that the deficit was still $35 billion and that the national debt, despite these great aims and despite the efforts in years of growth, had miraculously more than doubled from $168 billion to, at the time, around $450 billion.

I do not know where to go from here. This is the aim and it has been the same for eight and half years. Now we are told that we are not going to have a budget because there is a leadership race on. We are told that it probably would not be a good thing to introduce a budget. We might have a financial statement.

The reason we may have a financial statement is the same reason we had a mini budget in December. In the words of the finance minister, it was to bolster the faith of the international community which wants to kick us out of the G-7 because of our deficit and debt record. The finance minister says we might have to have some kind of a financial statement and another projection of what the deficit and debt is going to be because we do not want the international community to think that we cannot pay our bills.

I am not surprised that at a minimum the finance minister would want to reassure the international community that we can pay our bills because when the budget was introduced in 1984 we owed roughly 42 per cent of what we made. Our accumulated debt was around 42 per cent of what our Gross Domestic Product was. More important, we owed only 9 per cent of that amount to foreigners.

Today we owe close to 70 per cent of what we make. Our accumulated debt is 70 per cent of the goods and services that are produced in this country, but more important, 30 per cent of that is owed to foreigners. Is there any reason why they should not be concerned that we may not be able to pay our bills? Is there any reason why, at a minimum, as the finance minister says, that we should not have some kind of a statement, never mind the leadership race? We owe it not only to Canadians but to the international community. We owe it 30 per cent of what we make.

We owe the international community a statement to reassure it, to tell it that maybe the deficit will be the same as it was eight and a half years ago and that the national debt will be a little bit more than 70 per cent of what we are worth. We are going to tell it not to worry because we are going to do something that is incredible. We are not sure what that is, but we certainly look forward to it whenever that day happens.

This is serious stuff. Somewhere in Vancouver, I have not seen this, Mr. Speaker, but perhaps you have, I am told there is a clock in Vancouver called the doomsday clock. It shows how much our national debt is increasing. According to this clock it goes up over $1,000 a second. Imagine making that kind of money. That money is owed to foreigners.

• (1340)

I am as concerned as the government is about this problem. On this side of the House we have been criticizing its policies. In general terms one would have hoped that when the economy was increasing and booming in those years I have mentioned, 1984 to 1988-89, the government would have been able, as its aims were in the two years I have mentioned, to reduce the debt and deficit. It was not able to do that.

If the government was unable to reduce the annual deficit and the accumulating debt when times were good and when we were making more, when our gross domestic product was increasing at roughly 3 per cent a year on average over that period of time, how in the name of everything holy with the world recession and our own recession, which at the government's own admission was made in Canada and exacerbated by the ugly and hated goods and services tax, are we going to be able to reduce it? The government has run out of tactics. It has run out of tricks. Now the only thing the government does is blame it on the Liberals, after eight and one-half years.

Maybe it could try to after the first or second year, but as a Liberal I certainly do not believe that I should take credit for something that the government could not do in eight and one-half years.

As if to add insult to injury, all this took place when Canadians were subjected to 38 tax increases. I like numbers because numbers are objective. I distinguish numbers from statistics. These numbers that I have in front of me indicate things like compassion for the individual, tolerance and justice, job creation, growth, a better tax system, temporary surtaxes.

In 1984 personal income taxes as a percentage of total budgetary revenues for the Government of Canada represented 41.2 per cent. This is a Statistics Canada figure. Last year that figure increased to 47.7 per cent. That is an increase over this eight and one-half-year period that I am talking about, this critical period, of 15 per cent for individuals.

What happened to big businesses? What happened to corporations? The percentage of the budgetary revenues they paid went from 13.2 per cent of the national collection in 1984 down to 7.2 per cent last year. That is a decrease of 50 per cent.

I am still talking about taxes. I am talking about the effect that this goods and services tax and the 37 other taxes have had on Canadians. 1990 and 1991 were the last two years for which I can get figures. In 1990 individuals in Canada paid $92.7 billion in taxes. The following year they paid $104.6 billion, which in any man's mathematics is an 11.5 per cent increase in one year in what individuals paid. What about corporations? In 1990 corporations went from $14.6 billion down to $12.4 billion. In other words they had a decrease of 15 per cent.

• (1345)

I could give more figures but I wanted to use those two examples to let everyone know that the Canadian individual on surtax, on real tax, on income tax, on petroleum tax, on cigarette tax, is taxed to death. We are now at the point where if an individual is taxed any more he or she will not be able to contribute to the economy in the best possible efficient manner.

This is hard to explain without graphs but basically we have passed the break-even point where individuals contribute efficiently to the economy. In other words they are paying so many taxes they will not be able to have disposable income to spend in the economy so that the economy can be assisted and helped.

Add to that phenomenon the $100 million that we are losing through the underground economy. That is an estimate. It could be $200 million, it could be $75 million, but it is a lot of money.

This is all related to putting people back to work. I believe the government has attempted in its policies to rectify this serious situation, has tried to create growth and has tried to better the unemployment situation but it has not succeeded. If it were to create a better situation for jobs it would certainly better the situation for the debt and the deficit.

The figures that I have say that for every 100,000 unemployed Canadians getting back into the work force, the federal government would collect $360 million in income tax, providing we do not increase the income tax any more.

For the same 100,000 people getting back to work the government would save $900 million in support payments, welfare and UI that it now costs. For every 100,000 people that go back to work the government in fact is better off by $1.2 billion. If we put a million people back to work, which is three-quarters of what we have unemployed right now, basically we are looking at $12 billion that would help with the deficit this year alone.

Last year we had 77,000 corporate, mostly small business, and individual bankruptcies. That is incredible. It is a record high in a year when the jobless rate was at a record high, over 1.5 million Canadians without work.

It is not me saying that. It is not this side of the House saying that. In a recent CFIB, the Canadian Federation of Independent Business, survey conducted in 1992 when concerns about taxes and regulation continued to be the dominant issues, of those people who were surveyed 82 per cent said their main concern was over taxes and 72 per cent said their concern was on regulations. Eighty-eight per cent stated dissatisfaction with the federal government's progress and expenditure reduction that was promised on November 8, 1984.

As I said in this House before, people turn to me and say I am from Newfoundland and that I should know the reason we cannot do anything with our deficit, that I should not have trouble understanding it. After all, a lot of money is spent supporting people on social services and unemployment insurance. Canada cannot afford to spend that kind of money on social programs any more. They are wrong. Not only are they a little bit wrong, they are dead wrong. They have not checked their figures. They have not done their homework.

• (1350)

Canada's social spending is one of the lowest in the world as a percentage of our gross domestic product. I am quoting Statistics Canada figures. Our social spending is 21.5 per cent of our gross domestic product and this compares with an average of 25.6 per cent, almost 20 per cent higher, for all the other industrialized countries in the OECD.

Many of the European nations that we have a lot of respect for financially, whose debts are much lower and whose financial management is considered to be more successful, have high standards of living and successful economies, spend considerably larger percentages of their gross domestic product on social programs. Let me give you some of the figures: Belgium, 37.6 per cent; Holland, 36.1 per cent; West Germany, 31.5 per cent; France, 29 per cent.

The only industrial countries in the world where social spending is lower than Canada's is the United States, with an expenditure of 20.8 percent and Japan at 17.5 percent. But I am not going to talk about Japan.

We know about the current debate concerning socialized medicine and medicare in the United States. A large proportion of their people cannot afford to be sick. The reason their bills get so high and that old age is such a problem in the United States is that when people are in their middle age they are afraid to go to see doctors because they cannot afford to pay the horrendous bill that is facing them, so they wait until it is absolutely necessary to see a doctor when they are older. However, by the time they get to see the doctors they still cannot afford it but they have to go because they do not have a choice. When they get there the financial impact is disastrous.

I have relatives in the United States and they tell me that it is their children and in some cases their grandchildren who have to pay exorbitant sums of money, and I am talking about tens of thousands and hundreds of thousands of dollars, that in Canada would not cost you a penny other than your contribution in taxes.

Mr. Speaker, I say to you that whatever the reason for the almost incredible situation with debt and with our deficit we are in, it is not because of social spending.

I want to make this one point before I finish my presentation. I will give one example that I have been involved in to give the House some idea of what it means to the well-being of this country.

I am going to make reference to the EH-101 helicopter program. This is a program that is currently under a lot of fire and is being looked at from many angles. It has come under scrutiny in the last two months because of the Auditor General's report, because the minister showed some ambivalence toward it and because now defence analysts are looking under doormats and through cobwebs for every little thing here and there.

Some of the scrutiny is not exactly accurate, some of it is biased against the program. Certainly one of the jobs I have as defence critic is to sort out the wheat from the chaff. Quite frankly, I am disappointed that there are some areas where the articles written against the program are just not accurate. They are biased against the program. I do not think that is necessary and I do not support it.

On the expenditure of the money involved, the Minister of National Defence, and I hope she is not using this as a ploy, on three occasions that I am aware of and perhaps more has said in the House in opposition to our questioning of the expenditure on these helicopters at this time in our history and our economy that she does not understand what all the fuss is about because in 1990 everyone agreed that the EH-101 helicopter, the Merlin helicopter, was a suitable replacement for the Sea King. It was agreed by all members of the Standing Committee on National Defence and Veterans Affairs. This happened in 1990, and now she says: "I do not understand why all of a sudden you are now saying we have a problem with the program", quite apart from the fact that the geostrategic situation has changed tremendously

in the period we are talking about. The cold war was pretty cold in 1990.

• (1355)

However I want to focus on the point that I am making on the management of the economy of the country. The deficit at that time was projected to be around $18 billion that year. Let us say it was $20 billion. As 1993 is upon us and as this program is under scrutiny, the deficit is not $20 billion, the deficit is $34.5 billion. If the deficit were what the government had projected it to be in 1990, we could have had not this program but two and one-half of these programs at the same cost. I think that illustrates the difficulties one has in making projections and making promises and trying to do things you do not end up achieving.

Where are we spending money we do not need to spend? I just talked about the $100 million in the underground economy. I just talked about $12 billion if you put one million people back to work.

I was horrified in November when the Auditor General's report stated, and it was substantiated by the Auditor General himself, that hundreds of millions of dollars in corporate tax revenue was lost through offshore tax schemes.

When this first came out the finance minister himself—I was in the House when it happened and I am sure he was doing it with the best information he had—denied that was the case. He said there was something wrong, that we do not lose money through these offshore tax schemes. We tax everybody the same. He did not say that but that was the proposal, that was the information that was involved.

It was a couple of days later at a session of the public accounts committee where the finance officials admitted—I think it was a Tuesday after the Auditor General's report which I believe came out on Wednesday or Thursday of the previous week—they had checked their books and now believed that hundreds of millions of dollars were being lost.

In fact my hon. friend from Broadview—Greenwood suggested it was in the vicinity of $2 billion. Well you can add that $2 billion to the $12 billion and there is $14 billion. That is half the deficit right there.

There was $8 billion in grants and loans to businesses which the businesses themselves have said does not help them. Here is $8 billion more, add that to the $14 billion, that is $22 billion.

Where else do we go? Well, we have a cabinet. I do not make these decisions, it is an observation. We have 36 ministers with their staffs and the overheads to run this country. The United States with 10 times the population is run with 15 cabinet ministers. I suggest there might be some rather large savings there. Some might say I am nickel and diming. Well, I am up to $16 billion without even sitting down with a pencil and paper.

Let me mention another area. My colleagues have gone on about the goods and services tax. I am not going to drive that home any further, but I do want to say that at a time when the recession was with us, when the economy was bankrupt, the idea of a consumption tax that was not in harmony with provincial taxes would not have been introduced by anybody with any financial moxie whatsoever.

Not only did this government insist on doing it but it brought in extra senators, invoking a part of the Constitution that had not been used in 125 years at the cost to the taxpayer of around $30 billion.

I have only one other comment I want to make on the goods and services tax and the economic state that our country is in.

• (1400)

I find it passing strange, I really do, that the government could talk about a goods and services tax in the campaign election of 1988. It was not really identified as a goods and services tax, but was referred to by pessimists as a hidden tax. It was not discussed. It certainly was not introduced as a goods and services tax. It was going to be revenue neutral. It was just going to be a restructuring of things. We were not going to make any money on it. It was going to be simple.

It is so simple that this morning 350 pages were introduced in this House to further simplify it. If that is simple I do not know what the government would consider complex.

My figures say that the manufacturers' sales tax was raised from 8.5 per cent to 13 per cent by this government. It was one of the 38 that I mentioned. It jacked it up and then complained about it. It said that it was too high. This government was the one that raised it, on the backs of the manufacturers. It was discussed in the House this morning.

The government said: "The goods and services tax will make up for that. We will just rearrange things". Then in the midst of the debate the government said: "No, what we will do is use the goods and services tax to help reduce the national debt and the deficit".

The aim was changed but the effect was the same. The manufacturers' sales tax took in $15 billion. Now we are told that the goods and services tax took in about the same: $15 billion. That may not have included the $1 billion or so it cost to introduce the tax. We do not know how much it cost. I would propose that with 350 pages of amendments and efforts to further simplify the goods and services tax we may never know how much it cost to introduce it.

There again is an area that causes great concern. There are other areas that I would like to speak about, such as the transfers to the provinces and the CAP for the wealthier provinces. I would like to discuss the reduction in transfer payments to Newfoundland. It is not a wealthy province and had relied on the federal government for 49 per cent of its income to run the province. That figure has now been reduced to 43 per cent. Over time it has cost the Newfoundland government somewhere in the vicinity of $800 million. This year alone the figure will be $150 million, which is 5 per cent of what it takes to run the whole province. The government cannot tell me that this is not causing a lot of difficulty to people who can least afford it.

I wanted to have on record these remarks on the economy in the context of this bill in front of us. I am sure as it comes up for discussion and further reference, up to and including third reading, and in the minds of those people who look at any subject that refers to taxes and the economy that they will have the macro-economic picture concerning raising taxes to run this country in mind.

I am sure that this side of the House will be ever cognizant of these measures in our resolution to put us back on track and to allow the country to move onwards and upwards in the future.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I would like to put a few comments on record with respect to Bill C-102.

It is a bill that was brought about partially in response to the bleeding of the Canadian economy across the border as a result of our high dollar, the goods and services tax and taxation that was perceived by Canadians, and rightfully so, to be too high.

The flood of people going across the border and purchasing their goods and services caused a lot of problems for Canadian retailers. From that perspective, I would suggest that there are parts of this bill that are positive for business people within my community and other border communities such as Grand Forks, Midway, Osoyoos and others where businesses directly felt that bleeding of the Canadian economy.

• (1405)

In this bill there are some 30 measures that reduce various tariffs on various goods coming into the country in an attempt to allow our entrepreneurs, our small business community and our retailers to compete a little more successfully against those businesses directly across the border in the United States.

Although it did little at the time when the problem was at its height it was a recognition that a problem was there and something had to be done. In that way I am pleased that some of these changes have been made to assist our small business community, hopefully making it a little more viable given the high number of bankruptcies we have had over the last two or three years within that same business community. Bankruptcy rates have been far in excess of anything we have witnessed in recent Canadian economic history.

One of the areas of the bill I would like to specifically speak on is that part which affects a specific part of the small business community. Some years back the government encouraged entrepreneurs to make bids on opening up duty-free shops along the border crossings into the United States to try to get a little bit more money

generated before people left the country and came back into the country.

Within my riding there is a very successful duty-free shop, the Osoyoos duty-free shop run by the Bissonette family. It also runs a similar duty-free shop over in the Cranbrook crossing, at what is called Kingsgate. These shops were set up across Canada. The various bidders on them spent a lot of time putting their bids together and spent a good deal of effort, time and money in setting up their shops once their successful bids were accepted by the government and set into place.

In speaking to other members of Parliament from all sides of the House—Liberals, Conservatives, and New Democrats—who have border communities and duty-free shops, I am told, and it is confirmed by those entrepreneurs operating the duty-free shops, that a good portion of the income of those shops comes from people leaving the country. As they leave the country to go down into the United States for a month, two months, or whatever, they will pick up their supply of Canadian cigarettes and Canadian alcoholic beverages and take them into the United States duty free.

What was proposed in February 1992, under the original section of this bill, was that because of the valid concern of the Canadian government over smuggling of tobacco products into Canada it had to do something to stem that tide. Canadian cigarettes were ending up duty free in the United States, being smuggled back into Canada and then sold, thereby undermining not only our small businesses but our tobacco manufacturers.

While I do not smoke myself and I would encourage others not to smoke because of a number of reasons—health, safety, and environmental—I also appreciate the right of those who so choose to have the availability of cigarettes for their consumption.

• (1410)

The Department of National Revenue turned its guns on the duty-free stores and said that the smuggling was taking place as a result of people taking cigarettes from the duty-free stores and bringing them back in. Subsequently that was found not to be the case.

A recent letter which I received on February 26, 1992 from the Frontier Duty-Free Association said: "A memo indicates that export of cigarettes and tobacco has increased from 3 per cent in 1986 to 14 per cent in 1991. This is a rather considerable figure considering other commodities have increased considerably more. Also, please be aware that in 1986 there were only approximately 10 duty-free shops on the international border whereas now there are 35".

Last week an executive of one of the major tobacco companies in Canada said that of the total amount of cigarettes being exported out of Canada only 4 per cent of the total amount is being exported through duty-free shops, leaving 96 per cent being exported by other means. That shows the small amount that goes through duty-free shops.

The government backed off after negotiations with the duty-free associations and said that because of the co-operation of the duty-free associations across Canada in limiting the number of cartons of cigarettes and tobacco products any one person could take out of their shops it would back off on the duty. It did back off on the duty that was placed, and it was suspended on April 8, 1992. As I understand it, in this bill the tax can still be imposed by Order in Council should the cabinet consider that action is warranted.

I think at this time it would be helpful to the House, to the minister and to the Department of National Revenue to hear the contents of a letter I received in November of last year from the Osoyoos duty-free shop in which the president, Denis Bissonette, sets out some of the problems involved within the duty-free association.

He states: "On behalf of the Frontier Duty-Free Association I wish to express my very serious concerns about the current efforts being made by the members of the departments of finance and revenue to legislate restrictions on sales being made from Canadian duty-free shops.

Presently all Canadian duty-free operations are adhering to a one carton and two-tin limit on all sales of cigarettes and fine-cut tobaccos respectively. These items were voluntarily imposed by each Canadian duty-free operator for the following reasons: one, to gain exemption from the $8 a carton export tax or equivalent from February 12, 1992 and therefore maintain at least some form of a level playing field with our U.S. competitors; two, to demonstrate to the various departments that the Canadian duty-free operators were not involved with the problem of tobacco smuggling into Canada.

Even though the implementation of the export tax was subsequently suspended by our government the Canadian duty-free operators continue to hold true to their volunteered tobacco limits. This was done on the understanding that once officials from the departments of finance and revenue were reasonably convinced that Canadian duty-free operators were not involved with the tobacco smuggling problem discussions would be held to bring the tobacco sales limits to more constructive levels.

At meetings held with representatives of the departments of finance and revenue on June 23, 1992 and September 28, 1992 it was clearly stated by some of the officials present that they were satisfied that all Canadian duty-free shops were complying to the volunteered selling limits and that they now recognized that the Canadian duty-free shops were not part of the smuggling problem.

Therefore the question is why proceed with legislation to limit the sales from Canadian duty-free shops if it has been demonstrated and recognized that Canadian duty-free shops are not part of the smuggling problem. At a time when the Canadian duty-free industry as a whole is facing significantly increased competition from the United States the only consequences of such restrictive actions will be to provide U.S. retailers with an additional competitive advantage and subsequent loss of millions of dollars in tourist revenue.

• (1415)

The Canadian duty-free industry plays a key element in the Canadian economy through its employment of hundreds of Canadian workers and the generation of substantial tax and revenue dollars to the federal and provincial governments. The vast majority of Canadian duty-free industry is composed of small to medium businesses owned by Canadian citizens.

The political agenda of our current government has been to energize and support Canadian small to medium businesses to stimulate the employment of Canadians and to promote exports in other countries. The current actions to legislate limits on the sales from Canadian duty-free shops directly contradicts such agenda. Therefore, on behalf of the Canadian Frontier Duty-Free Association I ask for your support on this most critical of issues to presently face our industry".

That sets out in capsule from what the position of the duty-free people is; that there is no need for the legislation. They are willing and have been co-operating and reporting to the revenue and customs departments any substantial increases in sales to any particular people. To proceed on anything that would unduly limit these entrepreneurs, or in fact force them out of the business or into bankruptcy would be wrong.

Let me move briefly to another area that has opened up by the very fact of this bill and the other bill before the House today. This was mentioned earlier by the hon. member from Newfoundland in his remarks. That is the loss of billions of dollars to the Canadian coffers as a result of the offshore tax havens. We have been talking about that in this party for a number of years. In last year's report the Auditor General confirmed that in his opinion hundreds of millions of dollars were leaking from the Canadian tax base as a result of offshore tax havens.

The response from the Ministry of Finance was that in the guise of competitiveness we had to allow these tax loopholes. It is interesting that when talking to Revenue Canada officials there appears to be a major rift between the Department of Revenue and the Department of Finance with respect to this. Revenue agrees it is a major problem. There is a major bleeding of our taxes through these loopholes. There are some 360 very large corporations using various tax loopholes to benefit their profits.

Revenue officials tell us that the loopholes could be closed without hurting our competitiveness. The competitiveness thing is simply a red herring. There would never and should not be taxation or double taxation of offshore income in Canada. If income is legitimately earned offshore and is brought back in and dividends are paid out to the shareholders or the corporation in Canada, there should not be taxation of that a second time if it has already been taxed in the other jurisdiction. Revenue Canada states that and I do not have a problem with that.

The key crunch is that Revenue Canada officials tell us that it is not hundreds of millions of dollars that are lost, it is billions of dollars. The member mentioned $2 billion. In fact, revenue officials have told me that it is probably higher than that. Billions of dollars per year are lost in taxes to these large corporations using their shell companies and paper transactions.

In two areas the loophole could be closed in what is called loss importation. That is where there are losses offshore, in offshore corporations. Under the present legislation those losses can be brought forward and offset against the profits of the corporation in Canada. That is a major loophole which amounts to hundreds of millions of dollars right there.

• (1420)

There is another one with Canadian source income that is allowed to be funnelled out through an offshore company. An example of that is the Canada Trust Co. case which is a fairly small one. I believe it is before the courts now. Approximately $30 million of mortgages guaranteed by CMHC were sold to a Shell company in the Netherlands. That company apparently then made the income from these CMHC guaranteed mortgages in Canada. Therefore it was income earned in Canada, taken offshore and declared as income of the offshore corporation and dividended back to the same company. The income lost in that particular case appears to be somewhere in the area of $3 million to $4 million. This is fairly small on the whole scale of things but it is an example of what I mean when I say that these tax loopholes could in fact be closed with major consequences.

Those types of things would help the totality of the Canadian economy. It would assist the regular taxpayer in understanding what is going on within the tax regime, that in fact there is a level playing field and that lower income earners are being treated the same as the huge multinationals and the wealthy corporations and taxpayers within Canada.

I just wanted to mention that and point out that there are many things we can do to try and increase the tax fairness in Canada, to try to ensure that we get back the credibility of our government and the credibility of our parliamentary system.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I appreciate the opportunity to make a few comments with respect to Bill C-102. This bill of course is seeking to enact several tax and tariff measures that have been announced recently.

Some of the measures are notable, for example those addressing tobacco smuggling and tax evasion. The bill also addresses the excise tax rate on cigars and other tariff reductions in order to reduce the cross-border shopping that has been a problem until recently with Canada's high interest rates and high dollar.

Although the bill has some good points, I submit it does not really solve the initial problem which is the fact that we have the GST in the first place. The government knows full well there are many things wrong with this tax. The tax has been a real burden on the economy. It has been difficult for our small business sector to adjust to the administrative costs of this tax. It has been difficult for consumers to put up with the extra financial burden caused by this tax.

The government would solve all problems at once by simply scrapping this tax, phasing it out, getting rid of it and imposing the kind of tax reform we have been requesting for some time. I think the GST is the real source of our misery here. It is not fine tuning of some of the changes that should be made, but take the whole darn thing, do away with it and bring in a system of real tax reform.

I want to cite some very specific problems which have been brought to my attention with respect to the application of the GST. I want to turn to a very specific situation such as the purchase of a new vehicle. Let me break it down into two arguments.

First I would like to look at a private citizen, a person who does not own or operate his own business, purchasing a vehicle. Then I would like to look at the situation of a business registrant purchasing a vehicle. This is someone who pays the GST, has a small business and uses a vehicle as part of that business. This is to show some of the specific problems that have not been addressed by this particular legislation.

• (1425)

First of all the private citizen who trades in his vehicle on a new one has to pay the full cost of the GST on the purchase of that new vehicle. That is fair enough if the consumer also recognizes that in fact there is essentially a tax credit being applied with the trade-in vehicle. That tax credit however goes to the dealer who purchases that vehicle.

Here is where the problem lies. When that consumer trades in that vehicle he is bartering or negotiating on a fair trade-in value for the vehicle. He or she does not realize that what they are bargaining or bartering on in fact includes the 7 per cent GST. The car dealer will then get a GST credit for that when accounting for the sale of that vehicle on his books.

While the private citizen thinks he is getting 100 per cent of the value of the vehicle the situation can be seen where the car dealer would negotiate the price of that vehicle down by 7 per cent to accommodate the cost of the GST, pick up the 7 per cent GST credit on the other side and basically walk away from the deal really without having paid anything in terms of the GST.

It is not the car dealer who has borne the brunt of the 7 per cent GST in that kind of situation. It is the purchaser of the new vehicle. The purchaser has paid the full price of the GST on the new vehicle and very likely may have unknowingly paid the 7 per cent GST on the trade-in value he received on that used vehicle.

I ask if that is fair. I really do not think it is. First of all, each individual dealer should be responsible for telling purchasers that the 7 per cent GST is rolled into that trade-in value and therefore they have to negotiate the cost of that trade-in based upon the 7 per cent that is applied. However, that is not happening so people are trading in vehicles not realizing they are essentially paying that trade-in cost.

The other situation is even more difficult. A business registrant purchases a new vehicle and has a vehicle which has been used at least 90 per cent of the time for business. That individual trades in that vehicle. The GST again is rolled into the trade-in value of that used vehicle and the car dealer who purchased that vehicle will of course be given the GST credit. What will happen is that the business registrant will pay the GST on the value of the new vehicle and on the value of the trade.

Here is where the real problem exists. I submit that probably 90 per cent of business owners who trade in a vehicle on a new one do not realize that they will be assessed through the business taxation for the trade-in of that vehicle. This is because as a business they are in fact selling that vehicle to the car dealer and they will be assessed. If the books are audited, you can be darn sure that Revenue Canada will assess the 7 per cent GST on the trade-in of that vehicle. I want to restate that business owners are unaware that they could be audited and assessed the taxes on that vehicle.

That is a difficult situation because the car dealers are under no obligation to explain to the businessman or the individual citizen when they come in to purchase a new vehicle and trade in their old vehicle that the trade-in price actually includes the GST.

I want to read a letter from a chartered accountant in my home town of Vernon, British Columbia, which I think clearly lays out the argument. As I was mentioning, a business registrant negotiated the trade-in of a vehicle on a new vehicle and then was assessed the GST on the trade of that vehicle. He wrote: "The GST office states that unless a policy directive comes out from Ottawa they have no other choice of action and will not put in writing that the dealer is responsible to reimburse the registrant. They maintain that the only recourse open to the registrant is for him to take the matter to court".

• (1430)

Essentially he is saying that unless the purchaser of the new vehicle, the business owner, goes in and assesses the car dealer for the 7 per cent GST after the purchase goes through, there is no way of going back on it once he finds out. The car dealers are saying that the GST price is rolled into the negotiated trade-in value. Because they do not mention that to the customer, in this case the business customer, the customer has no way of knowing and after the fact has no way, other than through the courts, to reclaim the 7 per cent on the trade-in value due and owing to him.

To go back to the letter, Mr. Beardsell wrote: "This situation is unreasonable and could very easily be rectified by a change in assessing policy. Presently the dealer claims a notational credit of 7/107 on the trade-in received and the registrant is taxed by audit assessment on the trade-in. The government comes out even but the registrant is out of pocket by 7 per cent since the dealer is after the fact stating that the trade-in price includes the GST". He goes on to state: "If the auditor was simply instructed to assess the dealer instead of the registrant when he finds no GST is charged on the trade then fairness would be achieved".

The letter points out that a lot of business people are trading in their vehicles and paying the GST, not collecting it from the car dealer, not knowing that they have to, and later being hammered by Revenue Canada for the 7 per cent of the cost of their vehicles. That is simply unfair. It is also unfair that the government does not make clear in applying the GST toward the trade-in and the purchase of new vehicles that the onus is upon the purchaser of the vehicle, if he or she is a business person and uses the vehicle for business purposes, to collect the GST from the car dealer. It is terribly confusing. I am sure the people who will read my explanation of it will be as confused as members sitting here listening to my explanation of it. The whole process is terribly confusing.

With the confusion many people are being unnecessarily penalized by the 7 per cent GST on the trade-in of vehicles because they do not find out until well after the fact and there is no process for them other than through the courts.

This is only one aspect in which the GST has proven to be such a terrible headache. There are many other horror stories in terms of the application of this tax. But, for goodness sake, at least we could make things clear.

The government through its GST offices could clarify the point for the purchasers of vehicles. It could put the onus on car dealers to make sure that when people buy vehicles they know, if they are a private citizen, that the negotiated price of that trade-in includes the GST. They should also know that if they are a business registrant who is selling a vehicle to a car dealer to buy another vehicle from him they have to assess from the car dealer that 7 per cent GST on the cost of the trade-in vehicle they are selling the dealer. If they do not do so, come the end of the tax year they are going to be assessed through Revenue Canada.

How many business people know that? How many business people have been screwed on this? It is terribly unfair.

• (1435)

The government has to bring in some clarification. Tax accountants have been calling for them. I understand the car dealers lobbied to have it this way so that they could get away with this kind of stuff. I am not saying that every car dealer out there is surreptitiously using this little loophole to slide 7 per cent into their pockets. I am not saying they are all doing that, but I submit the option is there should any unscrupulous dealer wish to do it. It has to be cleared up.

The government should instruct the car dealers through Revenue Canada that they have the responsibility to make this point very clear upon the sale of any vehicle. They have the moral responsibility and I would suggest the legal responsibility to make it clear.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the second time and referred to to a legislative committee in the Economics envelope.

* * *

NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY ACT

MEASURE TO ENACT

The House resumed from Thursday, March 11, consideration of the motion of Mr. Charest that Bill C-72, an act to establish the National Round Table on the Environment and the Economy, be read the second time and referred to a legislative committee in the Natural Resources envelope.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the bill before us today carries the title, an act to establish the National Round Table on the Environment and the Economy.

In the limited time available I will focus on the weak side of this bill which as in many legislative measures also has positive and strong aspects. I will bring to the attention of the House what in my assessment is weak and requires modification.

Clause 4 of the bill outlines its purpose and subclauses (b) and (d) are not strong enough. Perhaps they are not clear enough. When defining the role of this round table to the effect that it advises the government on ways of incorporating environmental and economic considerations, the approach ought to be modified, re-examined and written in a different manner.

If we incorporate environmental and economic considerations we do not necessarily intend to mesh the two and integrate the two. Therefore we still treat the environment as a separate entity from the economy. It seems to me the purpose of this round table would be much better defined if it were instead to read under subclause (b): "advising governments on ways of meshing environmental and economic considerations". In so doing we will have said in different words what sustainable development is all about. That is the point I wanted to make.

In subclause (d) the round table should and is doing more than increasing public awareness. It is also promoting the understanding of sustainable development. That particular aspect of the role of the round table ought to be defined in subclause (d) of the purpose portion of the bill.

• (1440)

Finally, it seems to me that since the words sustainable development pop up on almost every page of this bill, particularly in the definitions section, setting the pace for the framework within which this bill is established and for the *raison d'être* of the round table, actually the name of the round table ought to be changed and reflected in the title of the bill. Instead of the National Round Table on the Environment and the Economy it ought to be renamed the national round table on sustainable development. That is what this round table is all about.

While this may seem to be semantics I would suggest it is more than that. What is being attempted here is to get across the importance of a concept that has emerged since the publication of the Brundtland report, *Our Common Future*, in 1987, namely the integration of the environment and the economy rather than their separation. We treat the environment and the economy as separate entities, but when we refer to a round table on sustainable development we automatically, by virtue of the use of the term sustainable development, integrate the two. I hope I have succeeded in conveying the importance of the concept of sustainable development and what it is all about.

In receiving this bill and debating it today there seems to be strange behaviour on the part of the government. Having axed the Economic Council of Canada, the Law Reform Commission, the Science Council of Canada and the Peace and Security Institute, we wonder why the government sees the necessity at this stage to give legislative status to the national round table. It almost makes us think of schizophrenic behaviour in a sense, having demolished on the one hand and on the other hand seeing the necessity to make up for its sins and giving the round table a legislative status. The round table can function with or without it, as we all know.

We are glad to support the initiative but we are puzzled when we ask ourselves how it fits into the over-all policy scheme of the government. This leads me to the third point I would like to make this afternoon.

I would like to compress my time so that my colleague from Edmonton Southeast can make an intervention before the adjournment. The basic question as we debate Bill C-72, an act to establish the National Round Table on the Environment and the Economy, is how much of an impact the round table has had on government policies, on government decisions, since its inception.

The question must be put and not because the round table has been idle and unproductive. On the contrary, the round table has produced a wealth of documents, a wealth of intellectual input as already described in the debate yesterday by my colleagues. There is phenomenal enthusiasm and desire to advance the cause of sustainable development within a clear, cohesive and convincing intellectual framework.

What has been the impact on energy policy, on transportation policies, on agriculture, or most recently on overseas development? What has been the impact of the policy input that has been made available and which the government could have picked up on but by all evidence so far has not? Let me bring a couple of examples to your attention and then I will conclude.

• (1445)

First of all I will give you a minute example in the agricultural policies. I learned in March of last year of the decision of the Minister of Agriculture to exempt fertilizers from the GST. It does not make sense. Apart from the fact that the government lends itself to fierce criticism when people would understandably and quite rightly so inquire why exempt fertilizers but not books? What is so special about them?

As we stand here today in debate on this issue it has been a full 12 months since this harmless looking little regulation was announced by the Department of Agriculture in March 1992. Chemical pesticides are exempt from the GST. How do you reconcile it? It may have been only an anomaly, a strange behaviour on the part of the Minister of Agriculture under pressure. I do not know.

In last week's report by the National Transportation Act review commission we find another little item, recommendation No. 6 which reads: "We recommend that consideration of environmental methods not be addressed specifically in the National Transportation Act, but rather continue to fall under environmental protection statutes of general application". This is business as usual, the old outdated approach. It is not the approach the round table is desperately trying to advance on its agenda. In other words it does not make sense.

The mindset of those who have power does not take into account the changing times and the efforts being made by agencies and institutions such as the round table. Therefore the legitimacy of the question is whether it has an impact at the centre, whether it has an impact where it matters.

The most significant and disturbing example that one can raise in connection with this debate is the decision of the Government of Canada to reduce its aid to developing countries and in particular to the less developed countries.

It does not make sense to learn as we did some 10 days ago that countries such as Niger, Ethiopia, Uganda, Mali and a number of Sahara region nations and others struggling desperately at the bottom of the human resources index produced by the UNDP will be cut by the Government of Canada in the name of debt reduction at home.

It does not make sense because if you look at the projects in which CIDA is engaged on behalf of Canada in those countries, in those regions, you will see they are oriented to water, public health, agricultural rehabilitation and to fight desertification. All these are initiatives I am sure members opposite are very familiar with and actually which everybody in this House would want not to abandon, would want if anything to strengthen and expand.

One has to raise this issue in the context of this debate because it raises the question of the fight against poverty, on the issue of helping those who need help the most and within the broader concept of sustainable development which is the kind of development in which we believe at home as well as abroad. The round table has a big stake in the promotion of this agenda, in the movement toward these objectives. When you read that the Government of Canada decides to abolish, as in the case of Niger, a program that over five years amounts to some $12 million in water, in agriculture, in alternative sources of energy and in health, then you wonder what kind of contradictions we are facing and what on earth is going on.

• (1450)

My time is not quite up but I will be glad to share it with my colleague from Edmonton East. This is a very important issue and I thank you for your attention.

The Acting Speaker (Mr. Paproski): I have another member who wishes to speak also. That is why I am looking at the hon. members. I have the hon. member for Okanagan—Shuswap and I have the hon. member for Edmonton East. I have ten minutes, if we can divide the time equally.

Mr. MacWilliam: Mr. Speaker, on a point of order. For your information, Mr. Speaker, my intention is to speak during private members' hour on the motion that will be before the House at that time.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for Edmonton East.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, when we are both from Edmonton it is a little painful to think, Sir, that you do not know that it is Southeast. You have been reading a lot about Edmonton East in the Edmonton papers lately, I think.

To pick up, if I may, where my friend left off, and my friend's sincerity in this House is with only that of the member for Parry Sound—Muskoka.

An hon. member: It's worth waiting for to hear that, isn't it Stan?

Mr. Kilgour: I would like to pick up the point of the question of cutting aid to countries like Niger and Uganda. I think it is one that all of us should be reflecting upon. Canada's aid has gone down from a peak of 0.5 per cent of GDP and could drop down to 0.3 per cent in the next three years.

It was pointed out this morning by *The Globe and Mail*, which is not always cited by those of us on this side of the House:

> In 1974, when the debt was $25 billion, the federal government spent about one-tenth of its revenues on interest payments. In 1992, when the debt had soared to $425 billion, the proportion had risen to almost one-third.
>
> Under pressure to stop the tide of debt, Ottawa is cutting $4.4 billion from its planned aid spending over five years. This may cause the cancellation of excellent programs such as the Canadian effort to rebuild the health system in Uganda. Unless something else happens and steps in to help health problems that are often lethal, impure water and poor hygiene will remain and people will die.

On the subject of Uganda I might point out to the members that the former High Commissioner of Canada to Uganda, who is a friend of mine, was working on AIDS research in a hospital in London, England when the new government asked him to come as their High Commissioner. He came for four years. He got aid re-established to Uganda. Now I understand that all of our aid to Uganda is going to be ended.

The question about a world in balance is one that is, I think, troubling to all thoughtful members in this House and one I think we all feel is a vital part of sustainable development around the world. The National Round Table on the Environment and Economy, as you know, has produced a series of excellent policy papers, for example, "On the Road to Brazil: The Earth Summit", "Trade, Environment and Competitiveness", "Discussion on Decision-Making Practices for Sustainable Development", "Sustainable Development: A Manager's Handbook", the "National waste reduction handbook", "Preserving Our World: a consumer's guide to the Brundtland Report" and "Toward Sustainable Communities: A resource book for municipal and local governments".

What Brundtland has said, as members know, is that sustainable development has to become a responsibility of all departments of government, probably most of all the Department of Finance which sent money off only recently for a project in the developing world which by any concept of sustainable development and human rights strikes me as at the least simply bizarre.

• (1455)

We have to get it into the heads of the people in the finance department, particularly the international section of the finance department, that they have to take greater account of sustainable development issues like population control around the world if we are to use Canadian tax dollars with some sense of stewardship. This is something that many Canadians feel is not now being done, particularly when the government is proposing to further reduce grants to the poorest nations in the world, quite contrary to CIDA's mandate, in favour of reallocating money to eastern Europe.

I am not saying that money should not go to eastern Europe, but for heaven's sake how can we spend $5.8 billion on submarine-chasing helicopters and yet turn and say to Uganda or Niger or many other nations in the developing world that we have no more money for them, but that we have money for the Rolls Royce of helicopters? It is something that I hope those on the other side will consider more and more. The public of Canada is firmly behind both opposition parties and I am sure members on the government side are saying this is the wrong expenditure at the wrong time and in the wrong way.

I have just a few thoughts, if I may, on the bill itself. I guess one is allowed to speak about the bill specifically when we are discussing a bill.

An hon. member: That is a good idea, David.

Mr. Kilgour: Thank you. I believe this is virtually the first any of us have seen of this bill. We have just abolished something like 46 agencies and other actors on behalf of the government, including the Economic Council of Canada, and now it wants to set up a new one.

I have read the bill quickly and it certainly has the earmarks of many bills that appear in this House. It is interesting to see that the government's definition of sustainable development means development that meets the needs of the present generation without compromising the abilities of future generations to meet their own needs.

How could we compromise the future of our children and our young people, including the pages, by running up what now appears to be a net federal-provincial government debt of very close to $660 billion?

As Premier Wells said the other day, in the mid-1970s each family's share of our national debt, or mortgage if you like, was about $50,000. Today each family of four share of our national mortgage is about $660,000. What have we done to sustainable development both in terms of our children's futures and in terms of not overtaxing resources and not doing precisely the kinds of things that the Brundtland commission said we should stop doing around the world, including in Canada?

I wish this round table well, as I am sure all members do, but again let me go over to the section on members. "Members to serve three years", and then there is this quotation: "the members shall maintain a broadly representative membership that reflects the needs for concerted actions in all sectors of Canadian society and all regions of Canada to attain sustainable development", and then: "a person is not eligible to be appointed as a member if the person does not have knowledge or experience to assist the round table in fulfilling its purpose".

I must say, Mr. Speaker, because you are from Edmonton and you know that 14 Albertans have been murdered since 1986 by what I would consider to be moronic decisions of the Parole Board. I think you will perhaps agree that the prairie panel of the National Parole Board consists mostly of people whose service to the community has been in the service of the Progressive Conservative Party of Canada. I am thinking of the former campaign manager for the Minister of Constitutional Affairs, former president of his constituency—

Mr. Whittaker: I rise on a point of order, Mr. Speaker. I am very reluctant to interrupt but I see we are just about out of time. I have had discussions with the other two parties with respect to the vote on Bill C-112 and I ask the unanimous consent of the House to allow that vote to go on division as opposed to a standing vote. I believe all parties in the House have agreed to that.

• (1500)

The Acting Speaker (Mr. Paproski): The members have heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered. There is another minute for the hon. member.

Mr. Kilgour: Mr. Speaker, it seems absolutely vital that on this organization we not use it as a patronage dumping ground, that we do what the bill says: We appoint people like the member for Parry Sound—Muskoka who have a deep and abiding knowledge of this issue rather than somebody who happens to need a kind of plum to sit on.

I hope that the next Government of Canada, if this thing goes ahead before there is a new election, will take very seriously the need to appoint only qualified men and women to the body.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee in the Natural Resources envelope.

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

PRIVATE MEMBERS' BUSINESS

[*English*]

SMALL BUSINESS SECTOR

"BUY CANADA" PROGRAM

The House resumed, from February 4, consideration of the motion of Mr. Whittaker:

Private Members' Business

That, in the opinion of this House, the government should consider the advisability of developing a healthy small business sector in Canada by targeting more federal contracts to the small business sector and establishing a more aggressive "Buy Canada" program.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is a real pleasure to support the motion of my friend and colleague, the member for Okanagan—Similkameen—Merritt.

This is a very important motion for small businesses right across Canada because it talks about the need to assist our small business community with an effective and aggressive buy Canada program.

I want to recite some statistical information relating to Canada's small business sector because I think a lot of people do not understand how important this particular sector is to the national economy. Certainly it is important to the economy throughout the Okanagan Valley which relies very heavily on tourism, the forestry sector and the agricultural sector, much of which employs our small business community.

Over 97 per cent of businesses throughout Canada are small businesses. Small businesses are defined as having under 50 employees. Looking at the figures from 1981 to 1989 over those years, small businesses created almost 82 per cent of the new jobs in Canada.

It is interesting to look at the number of jobs created by the small business sector compared to the number of jobs created over the same period of time in the large corporate sector, particularly the foreign-owned corporate sector. What we find is that with the foreign-owned interests in Canada there is actually a net job loss even though there is a substantial increase in net profits. There was a job loss from our large foreign-owned corporate sector whereas small businesses in Canada, taking the brunt of the responsibility, taking the brunt of the impact of the recession, were the ones still able to produce 82 per cent of the new jobs.

Almost 14,000 businesses declared bankruptcy in 1991 when the recession really started to take a bite. Business bankruptcies in the small business sector are up over 50 per cent since the recession began, with over 3,600 companies going under in the first three months of 1992 alone.

Small businesses are risky. They have difficulty in raising capital, in finding venture capital, in finding high-risk capital for acquisition and for expansion of the businesses. They have difficulty securing loans to maintain their businesses. The banking community is certainly no friend of the small business community. They continually have to fight the high interest rate policy that this government has followed. Even though interest rates have come down somewhat over the past little while, our real interest rate, which is the difference between the interest rate and the inflationary rate, is still very much higher than it is in the United States. We still have a long way to go to bring that down to some degree of sensibility.

• (1505)

Another thing that has really hurt small business is the imposition of the GST. We know that the GST was introduced in large measure because the government was going to lose billions of dollars of revenue from the imposition of the tariff reductions under the FTA. In the first year alone over $2.2 billion was taken out of the revenues of the federal government as a result of the FTA. Who had to bear the burden of that? It was our consumers and our small business sector.

It needs some help. It is a vibrant sector of our economy, but it is a sector that is also the most vulnerable to the swings in our economy.

I would like to point out that the federal Department of Supply and Services purchases some $8 billion in goods and services on a competitive basis each year and some $3 billion on a non-competitive basis. These bids are solicited from lists of companies or individuals who have registered as potential suppliers. For low-dollar bids, less than $25,000 on a bid, Supply and Services Canada uses a rotational bidding system.

This bidding system requires that procurements be advertised to give businesses better access to government contracting opportunities. The Canadian sourcing policy limits competition for government procurement to domestic suppliers wherever possible. We also have some other programs in place, such as the Canadian content premium policy and the area buy policy, that have helped somewhat.

I want to point out a problem we have had since the free trade agreement was implemented, which has really put the concept of buying Canadian and helping our small business sector into jeopardy. According to the General Agreement on Tariffs and Trade, Canada and the U.S. cannot protect domestic products or suppliers or discriminate against foreign products or suppliers who bid on purchases with a value of over $204,000. That is a pretty high value.

The Canada–U.S. Free Trade Agreement dropped that threshold for competitive foreign bidding down to $29,000, which has had a very significant impact on our Canadian small business sector.

Let me point out that American federal departments and agencies are required to participate in a similar program in America. It is called the buy America program and favours suppliers based in the United States and gives preference to U.S. products. It is similar to Canada.

This act is also overruled somewhat by both the FTA and the General Agreement on Tariffs and Trade, but there is a real difference between the limitations placed on Canadian small businesses and the limitations placed on small businesses in the U.S. Let me point out what the difference is.

In the United States the small business administration defines a small business as having up to 500 employees—that is considerably different than the definition in Canada—and up to $3.5 million in receipts. In Canada companies of this size are not considered small businesses. That is a fairly large corporation in Canada.

The U.S. small business act and small business set aside program are not affected by either GATT or the FTA, but the FTA prevents an effective buy Canada program. It affects the Canadian sourcing policy and the Canadian content policy for any purchases over $29,000. In the United States there is a similar situation but the dollar value is not anywhere near as low as Canada's.

Why is the United States allowed to effectively use protectionist trade practices that provide a much greater incentive to small businesses as they are defined in the United States than Canada is allowed to provide to small businesses as we define them in Canada? There is a substantial difference both in the definition and in the allowable limits.

Just to sum up very briefly, this points out one very particular way in which the provisions of the free trade agreement, as they are applied to the small business sector in Canada, have had such a dramatic impact in terms of allowing competitive foreign bids to come in for government procurement. This was one of the reasons the government wanted to initiate the free trade agreement in the first place. It said that it would allow access to U.S. markets and U.S. government procurement. We see that the programs in the United States have protected its small business sector even under the provisions of the free trade agreement much more so than we have in Canada.

What I am saying is that we have a situation where on the one hand small business in Canada is really under the gun as a result of the free trade agreement. On the other hand, small business in the United States has been given much more latitude and much more protection.

As a result of that, my colleague the hon. member for Okanagan—Similkameen—Merritt has brought in this private member's motion to try and convince this government of the error of its ways. It is hoped this will convince the government that we need some action to help our small business communities, our entrepreneurs from Victoria to St. John's. We need to help them not with a hand-out but with a hand-up. Give them a boost so we can put people back to work in Canada and help our small business community once again become the vibrant job-creating engine it has been in the past.

The Acting Speaker (Mr. Paproski): Debate, the hon. member for Red Deer. The hon. member has two minutes.

Mr. Doug Fee (Red Deer): Mr. Speaker, I do not think that I will need two minutes. The hon. member for Okanagan—Similkameen—Merritt asked me for an indication as to whether or not I was going to support his motion. He knows very well that I have relatives who live in his riding. Unfortunately one of them voted for him which shows a little bad judgment on her part.

I do think this member has shown a little bit of good judgment in this motion and I have no trouble at all in supporting it. The principle in it is real. The government should be supporting small business because, as the previous speaker indicated, small business is the heart of our economy. It is what makes this country go.

While I have the floor I also want to indicate that the Chamber of Commerce in my riding of Red Deer has connected into a computerized program of electronic bulletin boards. It is making information available to its members. Its members in Red Deer have had access to three times as many government contracts during the past year as they have had in the past two years. It is working. The contracts are available to small business.

I am not sure what the hon. member is intending with this motion but it is certainly not going to hurt us to discuss it a little further and to encourage it. It is a good objective and I definitely support it and will be indicating so later.

The Acting Speaker (Mr. Paproski): It being 3.14 p.m., pursuant to Standing Order 93, the time provided for the debate has expired.

Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Motion agreed to.

The Acting Speaker (Mr. Paproski): It being 3.14 p.m., this House stands adjourned until Monday, March 15, 1993, at eleven o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 3.14 p.m.

HOUSE OF COMMONS

Monday, March 15, 1993

The House met at 11 a.m.

Prayers

[English]

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

PRIVATE MEMBERS' BUSINESS

[*English*]

NORTHERN AND ISOLATED AREAS TAX ALLOWANCE

CONTINUATION OF BENEFITS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley) moved:

> That, in the opinion of this House, the discrepancies in the Northern and Isolated Areas Tax Allowance should be cleared up and the tax benefits continued.

He said: Mr. Speaker, I am pleased to rise in the House to speak to a motion sponsored by me that has been chosen for debate today.

The motion first presented some time ago reads as follows:

> That, in the opinion of this House, the discrepancies in the Northern and Isolated Areas Tax Allowance should be cleared up and the tax benefits continued.

I have reviewed some of the previous debates on this issue. It is interesting to note that this may be the first real debate this House has had on this issue, certainly since changes were made to the program by the government in late 1990.

Before proceeding I want to thank a couple of my colleagues who have been helpful in our northern caucus in doing research and following this issue very closely. The member for Churchill has done much of the work for our caucus on this issue. I thank him and his staff for their assistance. As well, the member for Skeena, whose seat adjoins mine to the west, has had much experience on this particular issue and has also provided valuable information. As well, my colleagues from Prince Albert—Churchill River and The Battlefords—Meadow Lake have participated in our caucus discussions. This is a very important issue to our constituents.

I thank them and others who have expressed their ongoing concern over this issue. I look forward to the debate and discussion today.

• (1115)

Canada is a northern country. Many of us now recognize that with the subtle change in our description of Canada as being from sea to sea to sea.

We now recognize that a large part of our country exists beyond the 49th parallel and our close relationship to the United States. Many of us who represent constituencies like mine also have communities that are remote even from the major centres in our own ridings. In my area, for example, communities like Fort St. James, Granisle and Valemount come to mind.

The important point to make is that these communities are just as much a part of Canada as are the cities we see most often on television and in the news. Our communities may not be the setting for programs like *Street Legal* and the like but they are part of what makes our country.

In fact many have argued that the wealth of Canada has been largely created by these remote areas. One just has to look at the forest industry for example. Over 300 communities in Canada depend on the forest industry for survival. Many communities live or die by the mining or fishing industry and their success or failure. It is the financial return to those businesses and the tax revenues to government that have enabled us to have many of the services we have today.

However, inherent in much of the way the system has evolved is that it is not fair in the way many of these communities are treated by the tax system and generally

speaking, by the lack of services and programs that government provides.

It is my view that the northern and isolated areas tax benefit program helped many of these communities and the rationale for reinstating the program in those areas that this government cut it from is still relevant today.

In a report prepared by the Library of Parliament a number of reasons were given as to why such a program was needed. The higher cost of living is mentioned, as is the lack of services that do not exist in many large centres or are taken for granted in many communities. It also notes that the northern tax benefit helps offset the higher tax burden on those who receive higher wages for just living and working in a community like this.

As a country, if we are to develop and gain from our resources we must be able to attract the people to those areas to help extract those resources and of course to hopefully add value to those raw resources. A benefit program helps with that. The development of these resources and these communities clearly helps all the people of our country.

I want to make the point as well that while my interest is in those areas which might normally be defined as northern, the original program was also for isolated areas. Living in certain parts of the Kootenays in British Columbia or parts of New Brunswick or Saskatchewan is just as remote as living in a northern community.

It is my view that not only should the program be reinstated, it should also be returned to those areas deemed remote that might have been eligible before. I will return to that point later.

Under the original program which came into effect in 1987 all individuals residing for at least six consecutive months in qualifying communities received a deduction of up to $450 per month. The key object at that time according to the Minister of Finance in a May 1990 response to a petition I tabled in the House was to "encourage workers to move to and settle in northern and isolated areas where recruitment is difficult".

The administration of the program was clearly a problem at the start. Members who have had experience with the system can cite many of them. Most of the problems resulted from boundary disputes—a point I will discuss later as well—in determining which communities were eligible.

As well, it would seem that the department, in this case National Revenue, certainly was not prepared for the administration of the program. Just to use one example in my riding, McBride which is east of Prince George was confused with McBride Lake which is south of Houston and a four hour drive from Prince George.

I am sure other members dealt with many similar problems my office had. Those of us who represent these northern communities, ourselves and certainly our staffs, have become somewhat expert in having to deal with the particular program and some of the discrepancies in it.

• (1120)

The problems were immense. In April 1988 the task force on tax benefits for northern and isolated areas was established to look at these problems. After public hearings were held throughout many areas the report was presented to the Minister of Finance on October 27, 1989. The report's recommendations were not well received in many parts of the country. Even the current Minister of Forestry, the member for Prince George—Peace River, said in the November 17, 1989 *Prince George Citizen* that he was disappointed with the task force recommendations.

Among the problems with the task force was its initial instruction to produce a revenue neutral recommendation. This direction could only lead to a reduction in the program. I want to spend a bit of time on the next point because it goes to the crux of the problems the government has accepted and the alternative I wish to present.

The report's main recommendation was to reject the community-by-community approach. They argued that it was difficult to administer the program because of this and they developed a strict northern zone. Their argument was that the communities in the northern zone had the characteristics of being in the north. The question of being remote, that is a community in the Kootenays of British Columbia, was rejected out of hand.

Finally, after much prodding the government released its position in December 1990. The government's position was to accept the northern zone as recommended by the commission but to create an intermediate zone which reduces the program in that area to 50 per cent of the benefits by 1995, for example the community of Mackenzie which is not in my riding but north of Prince George. Communities outside the new area that were previously

eligible would see their benefits reduced by a third each year to the point where this year, tax year 1993, two-thirds of the benefit will be available. Then in tax year 1994 the last third will be provided. In 1995 the benefit would disappear completely.

I am calling for a return of the program to its original concept, including a return of full benefits and the inclusion of remote areas. I cannot see why we could not start with a new program of phasing in the new areas starting in tax year 1995 where we would start building the program back with two-thirds of the benefit being available again. This would mean that in 1996 the full benefit would be returned. Those communities which will only be receiving 50 per cent of the benefit in 1995—for example, Dawson Creek in northern British Columbia—could be returned immediately in my view to full benefits in the tax year 1994.

The main reason for the commission and the government to reject the program was that the community-by-community approach was too hard to administer; it was confusing and created too many discrepancies. It is my view that time has proven the government and the commission wrong on this point.

There is no doubt that the original program had many problems, as does the current one though on a much reduced scale. My research indicates that the problems on the whole have been resolved. For example, the Auditor General who had a team of auditors working on this program in the department removed them saying that the problems had largely been resolved, at least to the point where he no longer felt a need to have a specific monitoring of the department's administration of the program.

I have also discussed the problems with accountants in my riding who say that the number of problems has gone down dramatically. One firm reports that Revenue Canada reviewed 20 per cent to 30 per cent of northern tax benefit claims when the program started. This accountant now says that it is down to at most some 2 per cent. In other words, as soon as the government figured out how to run the program, it cancelled it. Unfortunately the government is not listening to people in those areas that want to see a return to the program.

In the December 21, 1990 *Prince George Citizen* the mayor of Mackenzie, British Columbia, just north of Prince George, a community in the phase-out area, hoped that there was "still an opportunity to talk to the government". Unfortunately that opportunity has come and gone. In an August 14, 1992 letter to me the Minister of Finance said that the government "was not contemplating any change to the new program at this time".

• (1125)

It is unfortunate the Conservatives will not listen to northern or remote communities to have the program reinstated. They may be taking their cue from the Reform Party which apparently wants to axe this program completely. Northerners are obviously concerned about this lack of support from that particular party.

It is my view that a properly developed, well-known community-by-community system is the best approach to take. As we all know there are degrees of remoteness. A system well designed could be an ongoing measure of the level of services to a community. The more in improved services the less the benefit might be. It forces governments at all levels to be aware of the needs of remote communities, be it airport expansion or the provision of medical services.

Collective agreements already recognize the needs of employees who live in remote areas. For example, the isolated post directive is part of the collective agreement between the federal government and its employees. While these collective agreements recognize the needs of employees it is time the government did as well.

According to the Library of Parliament research paper on this issue, some 296,000 Canadians claimed the northern residence deduction. The "cost" to the government was thought to be around $305 million. That is a fraction of the defence department's $5.5 billion helicopter acquisition program and is a program that clearly would extend all across the country.

This program was a valuable one. It was well received by the public and once in place for some time the government departments charged with administering it were able to run it properly. In other words, it is a program worth keeping.

New Democrats have recently released a jobs paper that outlines our economic alternatives to this government and most important it clearly lays out our alternative in the tax field, something we have not heard from other parties. The measure alone on the GST would put at least another $600 a year in the pockets of each Canadian, not just northerners.

I welcome the comments from other members and hope that they will consider supporting this motion and allowing northerners the fairness we deserve.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I would like to share with hon. members my views on motion M-376, which suggests that the alleged discrepancies in the northern and isolated areas tax allowance should be cleared up and the tax benefits continued.

First of all, I would like to give you a brief history of these tax benefits for residents in northern and isolated areas. In the late 1970s a routine audit by Revenue Canada, Taxation revealed that many employees in northern and isolated areas received assistance from their employers for housing and travel. The value of this assistance was not always reported on information slips, even though it clearly constituted a tax benefit under the Income Tax Act. A proposal by Revenue Canada to adjust the tax returns of affected individuals generated great concern. In order to study the issues, the government announced a moratorium on taxation of these benefits.

This moratorium was implemented by means of a remission order. From 1978 to 1986 certain employer-provided travel and housing benefits for workers in eligible isolated areas were exempted from income tax. In his budget of November 12, 1981 the Minister of Finance announced his intention to limit the application of the remission order to employees who had participated in benefit plans established on or before that date. On December 2, 1982, plans for phasing in the taxation of these benefits and rules for their evaluation were announced. Evaluation rules were set up in a second remission order. However, the proposal to phase in taxation of these benefits was subsequently rescinded.

• (1130)

The government continued to study the issue. Concerns were expressed at meetings held in Northern Canada with local residents and groups representing employees, entrepreneurs, native people and others.

Two themes were a constant in these discussions. First, employers reported difficulties in attracting and retaining employees. Second, certain aspects of the remission orders were felt to be unfair because they benefited only workers receiving housing and travel assistance from their employers, and only employees covered by arrangements made prior to November 13, 1981 were entitled to a full exemption.

Acknowledging the inequities of the remission order system the Minister of Finance proposed in his budget of February 26, 1986 that the tax benefit should apply to all residents of qualifying areas. These areas were identified community by community, on the basis of factors such as distance from an urban centre, condition of roads and latitude. According to this approach, which was applied from 1987 to 1991, all employer-provided benefits became taxable but certain tax deductions became available to all residents of qualifying areas. A transitional deduction was granted to residents in areas that were previously covered by remission orders but no longer qualified for the tax deduction.

Unfortunately, determining qualifying areas on a community-by-community basis did not prove as effective as the government had hoped. Although many of the discrepancies referred to in the hon. member's motion were eliminated the government continued to receive many representations stating that the northern tax benefits system remained unfair, mainly because some communities located near qualifying communities were not eligible.

On December 10, 1987 the Minister of Finance announced his intention to establish a task force to study the appropriateness of changing the eligibility criteria for determining the Northern and Isolated Areas Tax Allowance. The task force was instrumental in moving this debate forward, suggesting in its report published in 1989 that a zone system should replace community-based

determination of qualifying areas, in determining eligibility for benefits available to residents of northern and isolated areas.

As you know, Mr. Speaker, and as some members of this House may be aware as well, a zone system was introduced in 1991. The zones did not cover all communities previously covered by the remission order system or community-based determination of qualifying areas. However, residents of these communities were and still are receiving benefits on a transitional basis. These transitional benefits will be phased out gradually by 1994, by which time we will have eliminated many of the inequities of the previous systems. The new zone system has already simplified the process considerably and is a more effective way of assisting residents of northern and isolated areas.

Considering these developments, I think all hon. members will agree that previous measures to determine eligibility for the Northern and Isolated Areas Tax Allowance have proved unfair and ineffective. Perhaps it would be easier to understand the problems that existed under the old system and the kind of discrepancies involved if I were to describe a typical case.

Consider the person who lives just outside the perimeter of a qualifying community. He works for the same employer, goes to the same grocery store, has the same family doctor and has access to the same local school as another person who lives within the perimeter of the qualifying community.

Under the old community-based system for determining qualifying areas one person was eligible for tax benefits while the other was not. To make matters worse, although the person outside the perimeter of this community was actually living in greater isolation he was nevertheless not eligible for these benefits. It has been said that the community-by-community method for determining qualifying areas was inherently unfair because it created border problems between adjacent communities that were treated differently for income tax purposes.

• (1135)

Mr. Speaker, let me tell you now why I believe that the present system of zones is a better solution and probably the best solution for determining eligibility for these benefits.

In its report of October 27, 1989, the task force on tax benefits for northern and isolated areas proposed creating only one northern area in which residents have major problems and are isolated. The task force recommended that only residents of the northern area continue to receive tax benefits and that the transition period for communities losing benefits not exceed one year.

The task force stated just as clearly that the then-current method of determining prescribed zones community by community could not be maintained. The government therefore had to choose one of two alternatives: either a modified method of determining prescribed zones community by community, like the one that existed before, or a zone system. Since experience had shown that a system of determining prescribed zones community by community was untenable, the government accepted the task force's proposal to establish a zone system.

The present system of zones is based on recommendations from the task force and many other presentations received throughout the country. Areas eligible for the deductions given to northerners, which are areas in the north and in the intermediate zone, were defined using two classification systems developed by the task force.

The northern area classification system included mainly environmental factors like the severity of the climate, the growing season, the heating season, plant cover and permafrost. The classification system for isolated regions put more emphasis on community characteristics such as population and distance from urban centres. This is an effective and objective way of determining eligibility for the deductions given to northerners.

According to this method, northerners are eligible for full benefits, while residents of the intermediate zone are eligible for half the benefits. Furthermore, as I already said, transitional provisions were established. Residents of communities that are no longer eligible under the zone system will receive two-thirds of the benefits in 1993 and one-third in 1994. Only after that date will benefits be fully eliminated.

No perfect system exists. Whatever solution we decide on to determine eligibility for the northern benefit some people will still believe that they should be included if we want the system to be fair.

Nevertheless, extending the benefits further south would reduce the relative advantages for those who are really isolated. I believe that our present system is the best. It is based on the objective opinions we received from an independent task force. It gives a temporary break to those who are no longer eligible for benefits or those whose benefits will be reduced. At the end of the transition period, the new system will have eliminated many, if not all, of the inequities in the former system.

[*English*]

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, it is my pleasure to enter into this debate today to talk about a very important issue to northern Ontario and to northern Canada in general.

In discussing the northern and isolated areas tax allowance, first of all we have to put into context the reasons that this legislation was introduced and try to focus on that particular issue so we do not get side-tracked concerning what we are talking about today.

This measure was put in place by the Conservative government in 1987. The main reason for its implementation on January 1, 1987 was based on the theme of economic development in the north. When this initiative was put in place, there was some discussion about the inequities of the system and because of that the Minister of Finance established a task force on April 29, 1988.

The task force was to find alternatives to the community-by-community approach to allocating these benefits. One of the reasons we are having this debate today is that there was a feeling among communities that the system which was in place before 1987 was not a completely fair system for all northerners.

• (1140)

I want to suggest in this debate that the new system, as defined by the zones created by a task force and put in place by the Minister of Finance as of December 1990, has again not met the major initiative that was undertaken during the process of the task force hearings, which was to put fairness into the system.

Let me give some examples that show why. The issue in this debate is what is the north. We all know, those of us who live in northern Ontario, that the north can easily be defined with a map and a ruler and a pen. Once we had defined the north, which is based on a different climate, vegetation and the large geography of these particular regions, the issue at hand was the one that dealt with isolation and how to set in place the criteria that would best ensure that benefits were given to areas most in need based on their isolation. At the same time we kept in mind that they were still part of the whole criteria, which is that they were citizens living in the north.

The task force recommended two zones: a northern zone and an intermediate zone. The reason for this is that it wanted to get away from a community-by-community criteria to determine how people would get benefits under the northern tax allowance.

What it has done is simply create more problems for us in northern Ontario. I want to tell members exactly what I mean by that. Since the changes to the northern tax allowance the roughly 50 communities in Kenora—Rainy River, in northern Ontario, were broken down into zones. Originally there were close to 50 communities and now there are 16 communities in the northern zone and 9 communities in the intermediate zone. Through this new process it phased 24 communities out of the northern tax allowance as of 1995.

Mr. Speaker, you would ask, and people watching would want to know, why I would be opposed to that if those particular communities should not have access to the northern allowance and the benefits that accrue from it. Let me give an example of why the inequities that were looked at under the task force still remain.

In the northern zone there are communities that are only accessible by air. The majority of communities in northern Ontario that still meet the criteria of the northern zone are all fly-in communities. However, in the phased-out zone, the one that we objected to severely, there are also communities that are only accessible by air. Lac la Croix, which is in the southern section of northern Ontario, is only accessible by air and therefore has the same isolation problems as the communities that are still included in the northern zone.

I have suggested to the government, and would like to suggest it again today, a formula which is much more effective than the one that was originally put in place. The formula should be based on the fact that we all know where northern B.C. is, we all know where northern

Alberta is, and we all know where northern Ontario is. So that issue is easily resolved.

The next issue is the one dealing with isolation. Isolation can be easily broken down into certain categories: one, the availability of basic services in a community; two, the availability of basic goods in a community; three, where goods are regularly available, their costs including transportation and transportation taxes; and four, where goods and services are not available, the availability and cost of transportation to and from the closest service centre.

In my mind it is easy to make a decision as a government as to whether people meet certain criteria based on living in northern Ontario and establishing criteria to deal with isolation. For example, in some communities in northern Ontario there are no publicly funded elementary schools. In some communities there are no publicly funded high schools. In some communities there are no publicly funded medical facilities. In some communities there are no banks or other financial institutions, no post offices or no telephone service.

• (1145)

Those unique needs require some sort of northern tax allowance benefit. If they can easily be put into a criteria, then based on that criteria we could decide what level of benefits would be given. It could then be phased in depending on where communities would fall in terms of the kinds of services and products they would want to offer.

For example, let us talk about transportation. Some communities are only accessible by air. Communities in northern Ontario that are only accessible by air should get 100 per cent of the northern tax allowance because it makes obvious sense that if a community is so isolated that it has no road, no railway, no bus, and only possibly air access, then more than likely it does not have very good medical facilities and those other kinds of situations that we are talking about.

To identify isolated areas we could also use the costs of goods that come to people in that community. We could easily use the CPI standard. Let me give an example of how we could do that. Lac la Croix is a community that was phased out under the new northern residence deduction system that the minister implemented in 1990–91. Lac la Croix is being phased out and should not be simply for the reason that it is only accessible by air. So it should get 100 per cent of the NRD. Ignace, which is a community in northern Ontario that is on the Trans–Canada Highway, only has bus service so it should be allowed, and this is only a suggestion of course so we can fool around with the numbers, to get 25 per cent based on the fact that it only has bus service.

Then there is the CPI which is much higher than in southern Ontario. It would give them about another 20 percentage points so a community like Ignace which was completely phased out should get roughly 45 per cent of the tax benefits under the northern tax allowance. Savant Lake has no public transportation, no banks, and no high schools so based on the criteria that I have outlined it would get 110 points, which is over 100 so it would get 100 per cent of the northern tax allowance.

That is how the system should have been put in place to deal with the isolation of northern Canadians. It should not have suggested that now we will arbitrarily create a zone somewhere in northern Ontario, northern B.C. or northern Alberta. In effect, that pits one northerner against another.

The whole objective was to give benefits to people who would not be able to access the services that we just take for granted in urban centres in this country.

I suggest to the government that if it had listened to the suggestions that were made by northerners and by members of Parliament on this side of the House then it would have implemented a system that was much more acceptable to all of us and which would have met the criteria it established when it first tried to implement this new system. That criteria was to stimulate economic development and growth, entice people from southern portions of our country to come to northern Canada to work, and to give them those benefits which would reduce the cost of living for those northerners.

I appreciate the short period of time I was given to outline a much more acceptable way of giving northerners the northern tax allowance.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I am very happy to be able to participate in this private members' debate today because it directly affects many of my constituents.

The motion that we are considering, as proposed by the member for Prince George—Bulkley Valley reads:

> That, in the opinion of this House, the discrepancies in the Northern and Isolated Areas Tax Allowance should be cleared up and the tax benefits continued.

I would like to compliment the member for putting this motion forward because there are many of us from northern isolated areas of the country, members from all three parties, who have experienced a great deal of frustration in dealing with this issue for the last number of years. I also had the opportunity to argue on behalf of the hon. member, who could not be here that day, that this motion should be a votable motion and subject to five hours of debate.

I made that intervention because it is all too rarely that these kinds of issues come before the House. It is all too rarely that the isolated northern areas of this country have the issues of daily life, services, and how the benefits of Canadian life affect them debated in this forum.

Certainly there has been an ongoing evolution with respect to the northern tax benefit. As originally envisioned, the tax benefit was to apply to both northern and isolated communities and a series of formulae were developed in order to determine what communities those would be.

There is no doubt that in the initial stages of implementation there were problems in determining how to fairly designate which communities should or should not be included. There were certainly some administrative problems.

When the government sent in the René Brunelle task force to hold hearings and come up with recommendations it went way too far in the recommendations that came forward because the net result of those recommendations was that only the most isolated northern communities ended up being eligible for these benefits. Many other communities that were in the mid-north—

[*Translation*]

[*And the alarm bells having rung:*]

SITTING SUSPENDED

The Acting Speaker (Mr. DeBlois): Under the circumstances, the proceedings are suspended to the call of the Chair.

The sitting of the House was suspended at 11.52 a.m.

[*English*]

SITTING RESUMED

The House resumed at 12.34 p.m.

The Acting Speaker (Mr. DeBlois): Order, please. The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

Hon. Audrey McLaughlin (Yukon) moved:

> That this House recognizes that the government's economic recovery plan, including the free trade agreement, the North American free trade agreement, the goods and services tax, privatization and deregulation, reduction of transfer payments and off-loading onto provincial governments, has been a failure and that this House acknowledge that a comprehensive economic recovery program must endorse a strategy for a full employment economy which entails abrogating the Canada-U.S. Free Trade Agreement, not implementing the North American free trade agreement and includes such actions as a jobs plan, an infrastructure program, and a national child care program in order to ensure job creation and prosperity for Canadians.

Mr. Angus: A point of order, Mr. Speaker. Before my leader rises to commence debate, I wonder if there is consent from the House to allow her to go slightly over the allotted time of 20 minutes. She anticipates perhaps 22 to 23 minutes. I wonder if that would be agreeable to the House.

Mr. McDermid: Mr. Speaker, we would be pleased to agree with that and I am sure with the wild applause it will probably go 25 minutes.

The Acting Speaker (Mr. DeBlois): Hon. members have heard the suggestion. Is there unanimous consent?

Some hon. members: Agreed.

Ms. McLaughlin: Mr. Speaker, I am pleased to rise today on my party's motion to speak about a new vision for Canada. As the motion we put before the House

outlines, this vision is based on an economic recovery program that must endorse a full employment strategy. We have seen the results of the old vision. We want to present a new vision.

The results of the old vision are quite clear: a huge debt, started by the Liberals and doubled by the Conservative Party, off-loaded onto the provinces and territories; over 1.5 million Canadians officially unemployed and thousands more having left the work force after giving up hope completely; and a 17 per cent unemployment rate in the youth of our country, and this is of particular concern when the youth cannot see a future for themselves, and four million Canadians living in poverty. We have seen the results of the old vision.

The Conservatives can select a new leader. They can put a new face on old policies but they remain old policies and they remain failed policies. More than a new face, Canada requires a new direction.

My party has put forward a detailed jobs plan which presents that new direction, which proposes a fundamental reorientation of economic policy away from the failed trickle-down approach to a policy founded on a full employment strategy. We have to destroy the myth that the economic policy which puts 1.5 million Canadians out of work is good economic policy. We have to destroy the myth that words such as a jobless recovery even mean anything. We need an economy that puts people first. We have to destroy the myth that the answer to our problems is to attack the unemployed.

The answer is not to attack the unemployed but to attack unemployment. A full employment strategy allows us to do just that.

What is a full employment strategy? It means that every economic policy would be reoriented so that every government action affecting the economy would ask the question, will this protect jobs, will this create jobs? This includes training policies and education policies. All of the actions the government would take would be oriented to ensuring that Canadians are working.

The jobs plan that we put forward would create 1.6 million new jobs over the length of the next Parliament. That is 500,000 more jobs than if Canada continued under the current policies. At the same time our plan would lower the deficit, would bring down inflation and hold the line on taxes for middle-income Canadians.

That is not just the New Democratic Party talking. Our plan is supported by an independent analysis performed by one of Canada's most respected firms. I challenge the government and the Liberal Party to produce a plan that would get the same results.

[*Translation*]

We succeed because we recognize that the government has a constructive role to play in the economy. The other parties do not admit that.

The economies that came out of the 1980s in good shape are those where the governments played a constructive role in co-operation with business and labour. The economies that came out of the 1980s in very bad shape are those where the governments withdrew completely, as in the United States, Great Britain and Canada, and everything is left to the market. The privatization and deregulation begun by the Liberals and enthusiastically pursued by the Conservatives have had disastrous consequences.

• (1240)

[*English*]

The marketplace and the private sector do many things and they do many things well, but there are other things that they simply cannot do, nor should they be expected to. They are not in a position to ensure a national transportation, national communications and national environmental infrastructure. That is a responsibility for government.

They are not in a position to do long-term national economic planning. That is a responsibility for government in conjunction with other sectors of society. They are not in a position to provide universal health care, universal education and a social safety net. That is a responsibility for government.

A government willing to play a positive role will complement the private sector, will work with the private sector and will support the private sector in doing what it does best: generating economic growth, providing goods and services and creating jobs for Canadians.

The Europeans provide us with an example of positive government-business-labour co-operation. One exam-

ple is the recent development of the Airbus which has been extremely successful. It had the involvement of governments and the private sector and has created a very important market niche for Europe.

The Japanese provide another example in the way they join together to identify niche markets with the government purchasing domestically developed new technologies, providing an initial market and stimulating research and development into new products.

Our neighbours to the south are also talking about a similar form of co-operation and a similar role for government in the United States. Like our trading partners, the Canadian government can and must undertake new initiatives to create jobs and build a forward looking, smarter economy.

If I may, I would like to briefly highlight a few of the initiatives that we propose in this new vision.

[*Translation*]

First there is the physical infrastructure. Canadian businesses need good transportation systems. They need modern telecommunications systems and healthy communities. What they have is an infrastructure that has been deteriorating for 20 years through negligence.

We have a choice: either invest now or wait and pay 10 times as much. In our plan, we have chosen the most sensible approach, a national infrastructure program that will take us into the 21st century and create 130,000 jobs.

What the government has neglected in recent years is the social infrastructure—social programs, education and the health system—which is the basis of a strong, sound economy. We must rejuvenate our social infrastructure and fill the gaps in it, the biggest one being the lack of a national child care program.

A national child care program would give our children a sound pre-school education and enable parents to devote themselves to their own training and to finding work. This is now impossible, especially for single mothers.

Our action plan proposes a national child care program that would double the number of places in Canada in five years and create 70,000 jobs.

[*English*]

A third issue in our plan addresses the need to get more capital into the hands of small and medium-sized businesses. It is these businesses that create 75 per cent to 80 per cent of employment in Canada. It is a particularly important issue, I might add, for those entrepreneurs who live outside major cities and in less populated regions.

We see an important role for government here in helping to establish pools of capital that will invest in innovative Canadian-owned companies that create jobs here at home. Our plan presents a national investment fund that has a potential to create 200,000 new Canadian jobs.

• (1245)

Another important initiative we propose is a fair tax system, an important part of providing revenues and also providing a climate of fairness in our country. A part of that is the elimination of the GST. By the way, I am pleased to note that this past weekend Australia learned from our experience and elected a Labour government opposed to the GST.

In Canada, the Canadian Federation of Independent Business has estimated that the GST costs businesses in this country about $10 billion to collect and has cost the country 100,000 to 200,000 jobs.

Of course, any responsible party advocating the elimination of the GST has to spell out exactly how it would plan to replace revenues. We do that in the jobs plan. I want to say that these options are reasonable and indeed, by eliminating the GST, maintain a low rate of inflation, something that has not happened with the continuation of the current economic policies.

Of course, the Liberals said that they too would eliminate the GST, but they do not tell us how. They talk about another kind of consumption tax, maybe a tax on everything, maybe a tax on food. If it looks like a duck and walks like a duck, it must be a duck. We are saying that it is in the interest of the country and the economic interest to eliminate the GST. We are serious about it and we provide the alternatives.

The final policy I want to mention today is trade. Our party's policy is very clear. We believe that the Canada-

U.S. trade deal must be abrogated and that NAFTA must not proceed.

Why is that so crucial? It is crucial simply because Canada cannot pursue a new vision and cannot pursue the kind of new economy that we are talking about if we are bound by trade deals that entrench the old vision and the old way of doing things: trade deals which prevent the government from playing a positive role in the economy and which take away from Canadians the instruments of regional development, resource development, value-adding and strategic investment.

Let us be clear about what these trade deals represent. They represent taking power away from elected, accountable people's democratic governments and transferring it to unaccountable, unelected multinational corporations. This is not in the interest of Canada nor, I might add, of any other country.

We believe that if we are to ensure the long-term viability of Canada as a great trading nation, we must replace the so-called free trade agreements with a fair trade strategy based on sectoral agreements, improved multilateral arrangements and aggressive trade diversification to areas like the Pacific Rim.

[*Translation*]

These are the highlights of our action plan to create jobs and revive our economy. I did not mention all the initiatives in this plan for research and development, for example, to increase opportunities for training, to create opportunities for our young people, to develop our rural communities and those that depend on natural resources.

How do we create 1.6 million jobs while reducing the deficit and controlling inflation, without increasing taxes for our families? The answer is found in my party's innovative approach to the economy.

[*English*]

There are two deficits in this country, both of which we take seriously. There is the fiscal deficit, which is very real and which we must all be concerned about. There is also the human deficit, the energy, talent and potential we are losing because so many people live in poverty, are unemployed or are in part-time, short-term jobs.

The approach taken by the Conservatives and the Liberals is that the only way to improve the fiscal deficit is to worsen the human deficit. In fact, through that approach they have worsened both.

• (1250)

Our approach is that the only way to improve the fiscal deficit situation is to work to eliminate the human deficit. Our plan will generate 1.6 million new jobs, 500,000 more than under current policies. Think of 500,000 additional workers able to pay taxes. Think of 500,000 fewer Canadians dependent on government support. Think of the resulting reduction in the deficit and the debt.

It has been estimated that the gap between Canada's actual economic output and its potential output is $70 billion. Not only does that represent an economic deficit, a fiscal deficit, but it clearly represents the human deficit.

Getting Canadians back working again will fill that gap. Filling that gap will contribute to substantial deficit and debt reduction. The reality is we have a choice in this country: We can carry on with the slash and burn or we can start to plant and grow.

That is our plan. Perhaps because the logic has not been fully grasped by some of our colleagues in the other two parties our plan has been opposed by the two old parties. I invite a debate. I invite the Conservatives and the Liberals to produce their own alternatives.

Politics in this country has changed. Canadians have come to expect an open and thorough discussion of issues. They want and deserve to know where political parties stand before an election, not after.

Canadians deserve to be listened to. Canadians deserve to be involved. Only in that way can we determine Canada's economic future. Only in that way can we restore Canadians' confidence in the political process. Only in that way can we restore optimism and hope to the people whom we are here to serve.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I listened very attentively to the speech of the hon. member for Yukon.

An hon. member: Tell us about David Peterson.

Mr. Milliken: The hon. member says: "Tell us about David Peterson". I was waiting for a reference to Bob Rae, but I did not hear one in this speech. I made a few from my seat, but they were not responded to. I do not want to get into the story of Bob Rae today. I have a more general question I would like to ask the hon. member.

It is about policy and concerns what I did not hear in the speech. I listened very attentively to hear some reference to the nationalization of the chartered banks.

I understand that is a New Democratic Party policy, but I did not see it in the five-year plan nor did I hear it in the speech of the hon. member for Yukon. I wonder if she could enlighten the House and Canadians as to whether it is still NDP policy to nationalize the banks.

Ms. McLaughlin: Mr. Speaker, I recommend that my hon. colleague read the strategy for a full employment economy. We speak very clearly about the national investment fund. I think everyone recognizes, and I assume the member does as well from the region he represents, that there is a grave problem in terms of getting capital into the hands of those innovative entrepreneurs all of us know. They may want to begin fairly small businesses and may not be huge employers. They may be interested in developing new products. However, getting capital is very difficult. Therefore we propose a national investment fund which addresses that very need.

We based the projection of the 200,000 jobs we say this will create on a very important Coopers & Lybrand study. It has done a very interesting research study on how developing this availability of capital, particularly in those regions where it is so often difficult to access capital, has been a targeted way of getting funds into the hands of those small businesses that create most of the jobs in our country.

When the member has an opportunity to read this, he will also see that we talk very much about democratic participation in the economy. Through a national investment fund, we see supporting things such as credit unions, instances where workers come together and decide to buy out a particular firm, involvement of labour in the work place and involvement of those in a particular region in helping to make the decisions about what long-term economic development will be best for their society. I am sure the hon. member will particularly appreciate that last point.

• (1255)

The member will therefore find that the national investment fund we are proposing is an extremely important contribution to enlarging the base of capital for all Canadians and particularly the small business sector.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I listened attentively to the hon. member's remarks. I would like to remind her that actually there are many things she said in her speech today with which we in the Liberal Party agree.

We also agree with a fair tax system. We are working on many options in this area. The member talks about fiscal deficit and human deficit. We also care about these things.

I want to ask a specific question of the leader of the New Democratic Party. She mentioned in her remarks there might be or could be a difference of $70 billion between the actual output, and potential output, and there was room for growth in that area. That is a tremendous number in terms of hope and possibility for new revenues, et cetera. How did she get that number? Where did she get that number? How did she calculate it and what was her source? I think it is worth while to debate that because it might allow us to come up with ideas if we know that is a really solid number.

Ms. McLaughlin: Mr. Speaker, my colleague is making an extremely important point. The number comes from several economists. They have estimated this and compared it in Canada as being a 10 per cent gap, whereas in the United States now it is about a 2 per cent gap. It has been reported in a number of places in the literature.

What is important about it, as my colleague mentions, is it points out that we have the opportunity in our economy and in our country to expand because we have the ability to be more productive. It is not that we need to create that ability. What we need to do is have the kind of training available. We talk about that in our plan as well, the importance of business as well as governments being involved in training. We know now it is continuous, lifelong training that all Canadians in the work force will undergo.

So the gap, as my colleague says, is quite a shocking number. It is something we should be looking at in terms of how to narrow that gap and match the potential closer to the actual. We talk about doing that, as I mentioned earlier, through the national investment fund. We get

more entrepreneurs working and get people with creative ideas being able to implement them and having the funds to do so. We also are very strong in our proposal on research and development, on increasing funding for the National Research Council, so much of which has been decimated in this country. It is shocking.

I am sure my hon. colleague will agree that the Conservative government has talked about competitiveness. It has talked about how it is a global economy and Canada must be there and be able to participate. It has a multimillion dollar prosperity agenda but at the same time it cuts training and research and development. In fact, it makes absolutely no link between the rhetoric it has proposed and the actual investment in ensuring that is going to happen.

We have to address the fundamentals of preparing the work force and allowing for opportunities for our young people. That estimate of 17 per cent, and that is just the reported unemployment for young people, has to be distressing to every Canadian. I do not visit a university where people do not ask me what we see as the potential for them to have jobs. What I say and what we say in this jobs plan is that we have to focus on how to get Canadians back working.

• (1300)

I invite the Liberal Party, often called the policy challenged party, to put forward its ideas. Let us have a real debate. I am glad that the Liberal member says he cares. That is very nice, but that does not put food on the table, so I challenge the hon. member to put forward his alternatives.

Mr. Mills: Mr. Speaker, I would take up that challenge. I will debate the leader of the New Democratic Party anywhere, anytime, no problem.

The question has to do with the opening remarks in her speech. She talked about the importance of a telecommunications network system that we must build. A little later she talked about this basically not having anything to do with NAFTA.

This is an area where we have a very special skill in this country, the area of telecommunications. There are a lot of very important potential export opportunities in that area, specifically in Mexico. There is great hope and great potential for telecommunications exports there.

How does the hon. member square basically not having anything to do with NAFTA on one hand and yet at the same time talk about moving out in this telecommunications—

Mr. McCurdy: Now you support NAFTA.

Mr. Mills: Excuse me, Mr. Speaker, I am asking a civil question in a constructive way. Through you, Mr. Speaker, you talk about debate and yet this is the kind of reaction you get. It is really quite amazing.

At any rate, how does the hon. member square telecommunications exports and shutting down NAFTA at the same time?

Ms. McLaughlin: I am glad, Mr. Speaker, that the hon. member from the Liberal Party has finally clarified that his party is supportive of NAFTA. It was not very clear before but it is now clear.

I want to say to the hon. member that concern about NAFTA is very widespread in this country. The concern is not about increasing trade. Of course it is not. It is about an agreement initialled by this government which basically takes away the ability of this country to have control over our energy resources, water resources, transportation, foreign investment in this country, regional development and processing of our natural resources.

The NAFTA would make it impossible for us to develop in many regions of this country. I am sure the hon. member knows this. I understand that he and the Liberal Party support NAFTA. We stand against NAFTA because we do not want to sell Canada down the tubes like the Liberal Party and the Conservatives do.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I listened with great interest to my hon. friend, the leader of the New Democratic Party, who is now fleeing the House because she does not want to hear what the Conservatives have to say.

I find the New Democratic Party's policies rather fascinating. I have spent time reading its economic document. Let us get this straight. The NDP proposes cancelling the free trade agreement. That is the first thing it is going to do, cancel the free trade agreement. In doing that, it is obviously going to bring back all the tariffs on the products that we ship into the United States, primarily further manufactured goods—there

were no tariffs on the raw materials and so on—where we have made the most progress in the free trade agreement. It is going to bring the free trade agreement back and put all those tariffs back up again.

Not only are the NDP putting tariffs on Canadian goods going into the United States, it will be putting tariffs on American goods coming into Canada which will jack up the price of the goods that we consume in this country. Therefore inflation is going to increase. It does not talk about that.

• (1305)

As a matter of fact, in its economic program it did brag about a company that did a study on it but did not take into consideration what cancellation of the free trade agreement would do to the economy of this country. It was not taken into consideration.

The next thing the NDP is going to do is stop the negotiations on NAFTA, just stop them. Never mind that almost everything Mexico ships into Canada now is duty free. The problem is getting our further manufactured goods into Mexico with high tariffs on them, some of them up to 25 per cent.

My friend from Broadview—Greenwood talked about telecommunications. I can tell the House that telecommunications is one area where we have great expertise and are doing extremely well, as well as in the environmental end of things. There are companies in Canada producing wonderful environmental equipment which is now being exported world-wide and in which Mexico has a great interest. Reducing the tariffs on these particular items will be beneficial to this country.

The NDP is going to cancel the North American free trade agreement. Then it is going to cancel the goods and services tax. I am the first to admit that the goods and services tax was probably not one of the most popular policies that any government in the last half century has brought in. However, I want it made very clear that there were innumerable studies, two royal commissions and joint committees of the Senate and the House of Commons. House of Commons committees over the last 40 years have recommended that Canada get out of the manufacturers' sales tax, which was at 13.5 per cent, and get into a form of consumption tax.

In our first mandate between 1984 and 1988 broad discussion took place across this country on the type of value-added tax we might have. A decision was taken by this government and in the 1988 election campaign one of the planks in our platform was the goods and services tax. Nobody can deny that. It was there. It was debated. I remember the Minister of Finance at the time made two commitments during the campaign, no tax on food, on basic groceries, and no tax greater than there was on housing under the manufacturers' sales tax.

I remember very clearly that that was debated in 1988. It was not a surprise. It was part of the tax reform program and it was coming. The opposition can talk about free trade getting us elected, not the goods and services tax. That does not matter. We got elected, we formed the government and that was part of the plank of the platform. It was brought in.

I think manufacturers and exporters will tell you that one of the reasons we are more competitive in the international marketplace today is because of the goods and services tax, absolutely. The Canadian Manufacturers' Association will tell you that and the exporters will tell you that. We are not taxing our Canadian manufactured goods more than we are our imports as we did under the old system. We are not doing that any more. The NDP is going to cancel that.

It is $15 billion, $16 billion, $17 billion in income for the government. How is the NDP going to make it up? It has listed a number of things as to how it is to make it up, but at the same time it is going to bring in a national child care program costing about $6 billion. It is going to bring in a make-work project. It does not have a price tag on it, but it is a very expensive one. As is pointed out in its paper in the near term it is going to have to borrow. But it also says that in the near term it is going to get interest rates down.

When governments go out to borrow and increase their deficits, interest rates will follow because there will be insecurity throughout the financial markets where they must go to borrow and they will have to pay a premium to borrow money which will crank up the interest rates and start this old cycle of inflation up again.

• (1310)

The piece of work that the New Democratic Party has come out with is *Alice in Wonderland*. Grimm could not write a better fairy tale. There is no realism in it at all. It sounds beautiful and it looks beautiful on paper but if the NDP does everything that it says it is going to do in this paper then we are in for one terrible financial

situation. There is no question about that. We would be in more financial problems that you can imagine.

I want to state something that is rather interesting. I am fortunate enough to sit around the table with the Minister of Finance and the other finance ministers of this country. In the last while the New Democratic finance ministers are all of a sudden singing a little different tune than they did when they were campaigning or when they were in office for the first year or two. All of a sudden reality struck. Lo and behold they are talking about cost cutting. They are talking about deficit reduction. They are talking about reducing their borrowing requirements. Surprise, surprise. All of a sudden reality has hit.

I and a number of my colleagues will be speaking about some of the initiatives that were brought out in detail by the New Democratic Party. What I would like to do for a few moments is take a look at some of the things that are affecting Canada today and why the government has to move in the way it has been moving and I assume will continue to move.

There is a quickly moving global economy out there. The new world order for Canada's main street is Rome to Rangoon. It is not just Halifax or St. John's, Newfoundland, to Vancouver or even just down to New York, Chicago or Atlanta.

This is an environment where brainpower, technology and competitive muscle, not just our natural resources, are keys to our economic prosperity. This is a context where we transmit knowledge and money at the speed of light to and from every corner of the world.

These forces have led to a world of greater interdependence and competition than ever before in history. It is having a tremendous impact everywhere, but especially for Canada. In a world that is trading more Canada has become one of the great world traders. There are 114 separate countries whose yearly trade with Canada exceeds $10 million. Exports account for about 30 per cent of our economy, millions of jobs. Of the world's seven largest economies, only Germany depends more on trade than Canada.

Much of our exports are natural resources such as paper products, ores and fuels. These are commodities marked by low prices that offer few new job opportunities. The direction Canada must now pursue is toward the knowledge-based higher margin products that can deliver good products and good jobs, and it is happening. We have had success stories that are second to none, such as large firms like Loblaws in food products and Spar in aerospace technology.

Canadian firms are finding niches around the world. I look at my friend from London, Labatt's, which bought Italy's Moretti SPA which now brews Italy's third largest selling brand of beer and smaller firms such as Montreal's Soft Image Inc. whose technology has cornered 70 per cent of the Italian market for 3-D computer software. There are stories after stories after stories, which I know my friend from Broadview—Greenwood agrees with, of successes of Canadian entrepreneurship and expertise around the world.

Mr. Keyes: What about your friend from Hamilton and Stelco?

Mr. McDermid: I will tell you what is going to happen to Stelco in Hamilton. Once it modernizes, streamlines and reorganizes it will become one of the best steel companies in the world and will be back on its feet doing extremely well. I predict that Dofasco will do the same, but it is experiencing the same problems that steel companies around the world are experiencing, which are reorganization and the reality of what is happening in the world today.

• (1315)

That is one of the things that I think all members of Parliament understand is going on in the world today. We see it time and time again.

Mr. Keyes: You don't know what the problem is.

Mr. McDermid: My friend from Hamilton West will have ample opportunity to debate today. I will be pleased to sit and listen to his side of the argument if he would just give me a chance to give my side of it. I would appreciate it.

At a time when these jobs are so important and so mobile, a nation's tax system must play a critical role in attracting or driving away business. We have met that

challenge by reforming our tax system. I talked about the goods and services tax but we also changed our business tax and the income tax system to make it fairer and more responsive to what is going on in the world today.

I notice that the New Democratic Party now wants to add a number of tax categories to income tax, and that is fine. It wants to go back and I understand that. The New Democratic Party wants to go back to the old ways. It wants to bring in the high tariff barriers again and the old tax systems again. It wants to go back.

We cannot go back any more. The New Democratic Party must understand and must learn that. As a result of the changes that we have brought about, Canada is now in the position of having very positive growth potential. There is not a think-tank around that is not saying that Canada is going to have the best growth in the OECD this year. The reason they are saying that is because interest rates are down and inflation is down. A lot of people do not understand the importance of getting inflation down.

Let me just talk about that. Inflation is a hidden tax, and I want people to look at it that way. Inflation is a hidden tax on young and old and on our ability to compete in the global marketplace. It eats up savings, making it harder for a young Canadian to buy a home or for parents to put aside money to help pay for their children's education. It costs workers jobs by pushing up wage demands and the costs of doing business, making it harder for us to export and leaving us more vulnerable to imports.

Inflation is no longer stealing Canadians' savings and killing jobs. Our average rate of inflation for 1992 was 1.5 per cent, the lowest in 30 years. It was also the lowest rate among the world's seven largest economies. Bringing down inflation has been a success that we can take to the bank. The simple fact is that lower inflation is the key to lower interest rates, and we are seeing results.

Low inflation has not only reduced interest rates but has also helped bring the growth of labour costs down sharply. This translates into Canadian companies being better able to compete at home and in the global marketplace.

The global economy has been struggling. Time after time we see these announcements of other countries with restructuring problems and lay-offs entering a recessionary period such as we are now seeing in Germany and France.

As a result of that and because the economy's growth is slow the Minister of Finance introduced some help for the small business sector last year. The hon. leader of the New Democratic Party touched on the small business sector today and she is absolutely right. It is very important since between 1979 and 1990 it created some two million new full-time jobs, more than 80 per cent of all new employment. As a result of their importance, small business corporations enjoy a special deduction which holds the federal income tax rate to 12.8 per cent on the first $200,000 of business income. In the United States federal rates for small firms range from 15 per cent to 39 per cent over the same income range.

• (1320)

We have put in place a tax situation for small businesses to help them. As well, in the financial statement we helped them with their unemployment insurance employer premiums for jobs created in 1993. We have encouraged increased investment with the one-year 10 per cent investment tax credit for machinery and equipment which will apply to small businesses in farming, fishing, mining, oil and gas, manufacturing, construction and long-haul transportation.

We have also taken action to help small businesses secure financing. I could list the things we have done there but I can only say that time is running out and I cannot run through them all. I want to touch on a couple of other things.

The policies on housing have been very positive. There was the reduction of the required down payment from 10 per cent to 5 per cent, which 69,000 Canadian families took advantage of last year. I know my hon. friend from London was urging the government to do that, as were the real estate associations.

Then there were the RRSPs. We do not know exactly how much went into housing but we do know that 127,000 withdrawals were made in 1992, totalling $1.2 billion. We have to assume that a good portion of that amount went to housing.

Housing starts grew by 6.3 per cent last year and we are expecting a further 5.2 per cent growth this year. As a result of the affordability due to low inflation and the sharp decline in mortgage rates, the proportion of renters who can now afford a home has surged. For example, the proportion of renters in Toronto who can

afford to buy a home jumped nearly five times, from 7.3 per cent in January 1991 to 35 per cent by October of last year.

We have to continue our fight against overspending in government at all levels. The Canadian people are telling us in no uncertain terms that co-operation between all levels of government must intensify when it comes to tax matters and wisely spending the taxpayers' dollar.

That is probably the strongest message being received today from people from all parts of our economy. It is incumbent upon us to do that very thing. In co-operation with provincial and municipal governments we must get our act together, if I can use such a hackneyed expression, because that is what they are asking for.

That is what Canadians are encouraging us to do. We have provided the leadership in that area with the suggestions contained in the proposals in the Constitution which can be used as a basis for discussions between provincial governments and the federal government to assure that the taxpayers' dollar is being spent wisely or being saved wisely. We tend to forget that it all comes out of one person's pocket, the taxpayer, whether it is at the federal level, the provincial level or the municipal level.

I believe our policies are working. We are positioned to take advantage of economic growth this year. We will see a real gross domestic product increase of some 3.5 per cent, marking the seventh consecutive quarterly increase which is the largest since the second quarter of 1991. We must stay the course. If we deviate from this course then the financial markets will let us know in no uncertain terms and we will experience uncertainty once again.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the member has put before the House some propositions with respect to our jobs plan that I just want to briefly note and then I would like to put a question to him if I could.

• (1325)

He suggested first with respect to the GST if I quote him correctly that our figures show there will have to be extra borrowing as a consequence of the move to phase out the GST. In fact, the plan shows quite clearly that there will be an improvement of close to $11 billion in deficit reduction over the present Conservative approach. That means at least $11 billion less will have to be borrowed.

In addition a lower rate of inflation will come from phasing out the GST. My former colleague on the finance committee knows the real rate is almost 5 per cent which is at an unprecedented high in this country. In Canada the real rate which is the nominal rate compared with the rate of inflation is much higher at this point than it has been in many previous years. In fact it is higher than when the previous chairman of the finance committee launched his famous attack against interest rates some years ago.

In any event, the interest rates we would expect would be lower because the cost of living would be lower as the GST was phased out. For both of those reasons one simply cannot make the case with any sense of truth that phasing out the GST would lead to more having to be borrowed and therefore to higher interest rates.

Also, the minister has suggested we would want to get out of the FTA and simply push the tariffs up to where they were in the past. We recognize that we have gone through five years of reductions in the FTA. We are not going to turn the clock back. We do not anticipate we are going to wind all those tariffs back to the level they were at five years ago. The reason to get out of the FTA is that we want to be in a position to be able to act freely, to be able to act with a sense of liberty with respect to policy matters.

What the minister has stated is simply not accurate. The rosy picture he has painted is also not accurate. I want to ask him why it is that his government is playing politics. Why is the government not acting to bring forward a budget as it should be doing right now? Then people in this country, the very business people, the very international investors that he talks about would have a sense of confidence in this country and a sense of what the future is going to bring in terms of financial matters this year. Why is it that the government has not committed itself to bringing a budget forward in its full sense within the next month or two?

Mr. McDermid: Mr. Speaker, I will take that as a representation. I am sure the Minister of Finance in the not too distant future will have something to say about that.

I am not the finance minister. A lot of people out there watching are saying: "Thank God". The minister will make an appropriate announcement at the appropriate time. I will take it as a representation that the hon. member would like to see a budget within the next month or so. I will pass that on to the Minister of Finance. I am sure the hon. member will hear from him in the not too distant future.

• (1330)

The New Democratic Party says that we are playing politics. That statement was just made. Here is a party that is going to cancel the free trade agreement, but it is going to keep the good parts of the free trade agreement. Is that not interesting? Absolutely. That is a gutsy statement: "We are going to cancel the free trade agreement but we are going to keep what has happened so far because it has been good". That is wonderful. It makes sense to me. It is a wonderful way of developing policies.

As I understand it today, this is great. I am going to be interested to hear how the New Democratic Party carries this further. Am I to believe it is going to cancel the free trade agreement but is going to keep the tariff reductions that have taken place to date? I wonder if that includes the tariff rates that will be coming off over the next five years as well. Will it be doing that as well? Will it be carrying that part of the free trade agreement on? Will it be wiping out the bilateral free trade dispute settlement mechanism? Is it going to wipe that out with the cancellation of the free trade agreement, or is it going to keep that part too? That is a pretty good part.

Canada has done pretty well with the dispute settlement mechanism. We have won a great number of disputes. Is the New Democratic Party going to keep that because it is a good part, but cancel the free trade agreement?

I have heard everything today. I cannot believe that the New Democrats are going to keep the free trade agreement to date, how far we have gone, but then cancel the rest of it. They now have a lot of explaining to do to the public. The New Democratic Party cannot have it both ways. It would like to have it both ways but will not have the chance to do so because it will never get elected as a national government in this country.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the Minister of State for Finance and Privatization, or the minister of "it's quite a state we find ourselves in today", is either totally ignorant of the problems facing Canadian steel makers or he is being conveniently evasive. I would think, given the member's intelligence on such matters, that it would be the latter.

Our Prime Minister's big promise was that he vowed the Canada–U.S. Free Trade Agreement would give Canada special protection from U.S. trade harassment. However, the rulings in Washington against Canadian steel exports showed that it was not a promise the Prime Minister could deliver on despite his much touted special relationships with former Presidents Reagan and Bush. Of course, the chances of it ever becoming a reality are at best slim.

It has been written in different newspapers, and I am looking at *The Ottawa Sun* from the end of January, that what we have now is something well short of the goal I have just been speaking about. U.S. industries are still free to lay their complaints of alleged unfair subsidies for or pricing of Canadian exports.

On top of that, this government should not have rushed headlong into negotiating a North American free trade agreement when there was unfinished business. In particular the Canada–U.S. free trade deal resulted in Canadian steel makers being charged with dumping in the U.S. The verdict of guilty being handed to us by the U.S. against our steel industry shows how the FTA has failed this country.

My question is simple. Does the minister truly believe that the Canadian steel industry, with the problems I have just outlined, would be any better off today under NAFTA than it was yesterday under FTA? Or is the minister going to rely, as this government so often does, on the market forces to prevail and on the market to look after itself? We can see that the big brother government south of us is definitely going to have an upper hand on our steel industry.

• (1335)

Mr. McDermid: That was a long question. I need to be given the chance to answer it because he asked about three or four things.

First of all, the Prime Minister and I, when I was involved in international trade and the others who were involved in the free trade agreement, never said that trade problems would end. We never said that. If we thought that would happen, we would not have brought in the trade dispute settlement mechanism that is in the free trade agreement. What we have said all along and what we said then—the hon. member was not here then, I was—was that we now have a vehicle to handle these disputes. That is what we have had.

Let us put this in perspective. We do about $285 billion worth of trade both ways each and every year. It is growing, by the way. We are going to have a surplus of some $18 billion this year. It has grown dramatically since the free trade agreement has come in. About 3 per cent of all that trade is under dispute and 97 per cent of the trade goes on dispute free. There are some areas where we have disputes.

The hon. member said: "The Americans can lay claim against Canadian goods coming into the United States", and so on and so forth. So can Canadians do that against American goods and they do it.

Mr. Keyes: We are talking about steel here.

Mr. McDermid: The hon. member was very general before he got into steel. He was talking about the agreement. We now have mechanisms to deal with these problems which we did not have before. We can deal with them on a much better basis because of the free trade agreement.

I am going to ask the hon. member: Is he like the New Democratic Party? Does he want to wipe out the free trade agreement? Is that the policy of the Liberals when they come in? Are they going to wipe out the free trade agreement and all it has brought to Canada in the form of exports? These have grown dramatically, even during this recessionary period and have been very beneficial to our economy.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, for all its ambiguity it seems that the motion we are being asked to address today offers a simplistic and flawed prescription for the ailing Canadian economy. It seeks to turn the clock back in effect on eight years of Conservative rule.

It is true that the motion contains a rather woolly reference to a jobs plan, whatever that might mean in an era of federal and provincial fiscal crisis, and an infrastructure program. There is vague reference to a national child care program.

The real essence of the motion is profoundly reactionary. It holds out the deceptively simple idea that by attempting to reverse the course of Conservative policy over the last eight years, by abrogating the Canada–U.S. Free Trade Agreement, terminating our participation in the North American free trade agreement, renationalizing industries and reopening the fiscal sluices to the provinces, we can somehow return Canada to a golden age of full employment.

In one of the ironic twists of history the New Democratic Party, once one of Canada's great agents of reform, has become profoundly conservative, a party of resistance to change, a party yearning to return to the *status quo ante*.

Let me say first of all that we in the Official Opposition reject any such course of action or reaction for two principal reasons.

First, it is simply impossible to turn the clock back. Of course policies can be undone, legislation can be rolled back and international commitments can be terminated. That much is relatively easy, if costly, for a future Canadian government.

What cannot be reversed, however, are the forces of technological and global change. Microprocessors, fibre optics, telecommunications satellites, transnational corporations are the real factors, are the fundamental factors that are driving the transformation of the Canadian economy. It is not the FTA or the GST or any other policy acronym which the New Democratic Party may choose to target. These developments are ensuring that the Canadian economy will be pried open, not just to the United States, but to the world whether we like it or not.

• (1340)

To this extent policies such as the free trade agreement mark an accelerated reflection of changes that were already occurring world-wide.

The real question is what the Canadian government should offer Canadians to help them benefit from, and not be victimized by, these global changes. Canada cannot hide itself from these changes.

As we see from its motion today, the NDP would have us believe that the best response to globalization is to rebuild the walls around Canada and attempt to hold back the forces of world change. Such an approach would

simply reduce the ability of the Canadian economy to modernize and adapt to the emerging international market. Far from creating jobs and prosperity, such an approach would further erode the living standards and prospects of all Canadians.

The immutable fact is that globalization currently requires, and will continue to demand, important restructuring in industrial economies including that of Canada. This is regardless of which federal or provincial party is in power and the ideologies that it espouses. In particular, economic transformation, emphasizing product and process innovations, improved product quality, reduced costs, greater labour skills, more effective marketing and increased productivity and flexibility in the economy is now a prerequisite for Canadian competitiveness across all sectors, from resource industries to high technology.

Canada's future lies in global links and in securing access to the world's dynamic economies, not just the United States but with the Pacific rim and the increasingly integrated European Community.

The salient question is no longer whether we should limit ourselves to fortress Canada, as the NDP would have us do, but whether we can afford to limit ourselves to fortress North America.

The second and more important reason that we reject the approach implicitly advocated in part of this motion is that it misses the real implications of eight years of Conservative rule, irrespective of the government's rhetoric about the tough and politically costly decisions which it has taken on behalf of Canadians. The real story is not what the government has done over the past eight years to help prepare Canadians for globalization, but what it has failed to do on the debt, on economic restructuring, on reforming social programs, on investing in Canadians and so forth.

When future historians write of these eight years of Conservative government rule, it will be a story of years of delayed decisions, of uncertain and irresolute leadership and, most of all, of missed opportunities.

Of all the government's failures, the one that is most central to Canada's current economic malaise and the one that, significantly, today's NDP motion simply ignores is the inability to arrest, let alone reverse, this country's accelerating debt crisis. Underpinning the current economic crisis is the fact that consumption in Canada has consistently outpaced savings and real economic growth.

The Conservative Party that came to power in 1984 promising debt reduction above everything else chose to attempt to solve the problem not through the restructuring and streamlining of government—spending reductions have in fact received only perfunctory treatment by this government—but through massive increases in taxation.

Under the Conservatives, profligate government spending and constantly increasing taxation, both at the federal and provincial levels, led in turn to the over-stimulation of an already stimulated Canadian economy. In order to take inflationary pressure out of the economy, the Bank of Canada raised interest rates. Higher interest rates led to higher debt service costs and yet more deficit spending. This, in turn, resulted in further stimulation of the economy and yet more inflation.

The result of these policy failures is today a net public debt amounting to more than $650 billion. Meanwhile, we are running a current account deficit of well over 4 per cent of our gross domestic product, which is by far the worst performance among OECD countries today.

• (1345)

A less obvious result of this prolonged period of over-consumption has been a growing foreign indebtedness and a weakening of Canada's economic base. Indeed Canada has rapidly become such a large offshore borrower that the level of foreign debt has risen to over $200 billion, not to mention an additional $100 billion in private debt.

What are the costs of all this to Canadians? Instead of undertaking the kind of investments needed to prepare for a globalized economy, we are faced with unacceptably high real interest rates—I say real interest rates—needed to attract offshore capital, a dated and declining infrastructure, growing deficits in skills, training and education, and of course a mounting foreign debt which will inevitably be paid back out of the future living standards of Canadians.

The challenge is obvious and fundamental. There is not a word in this NDP resolution about the need to resolve our fiscal imbalances and foreign indebtedness. By contrast, the Leader of the Opposition, the leader of

the Liberal Party of Canada, has been clear about the tasks before the next government.

Recently the Leader of the Opposition said that never before has Canada been so much a prisoner of foreign creditors. The Conservatives have borrowed too much abroad and they have borrowed too much in the short term. Canada has too many IOUs in the hands of foreigners. A Liberal government will aim at paying our way in the world. We must balance our international current account so that we can create jobs at home and not export them abroad.

The Conservative failure to restructure government over the last eight years has not just resulted in a mounting debt crisis and the high levels of unemployment that we have experienced recently. By refusing to confront the need for root and branch reform to the way government services are delivered in this country, the government has also refused to recognize the direct linkage between economic liberalization and the need for major domestic reform and adjustment.

During the prolonged debates about the merits or demerits of freer trade, whether it was about the Canada–U.S. Free Trade Agreement or NAFTA or the pending but far more pervasive Uruguay round of the GATT, there has been singularly little discussion of adjustment assistance. The phrase has a boring or even bureaucratic ring about it, yet it is adjustment assistance in all its many forms that can make the inevitable dislocations engendered by freer trade more understandable and more palatable even to those who are adversely affected, as some always unfortunately will be. Instead today, unlike in past years, large numbers of Canadians are left bewildered by freer trade.

For more than four decades Canadians have been assured by their governments that as a people heavily dependent on exports for their prosperity improved access to foreign markets and the parallel opening of our own markets was unquestionably good for them. The successive freer trade rounds of the GATT, although perhaps invisible to many, did undeniably contribute massively to Canada's affluence. However, part of the reason the Kennedy or Tokyo rounds did so was that they were matched by a commensurate degree of adjustment assistance, which were government initiatives that helped business and labour adapt to new opportunities and to new competition.

Following the precedents of the various GATT rounds, the Macdonald royal commission in recommending the negotiation of a free trade agreement with the United States urged repeatedly that any such agreement be matched with comprehensive adjustment assistance in the form of training and retraining, investment incentives, the elimination of interprovincial trade barriers and so forth.

The government did not do this despite promises that it would. It sought a free trade agreement with the United States but it did not devise, based on its own studies of the likely impact of free trade, those sectoral, regional or other assistance programs that would have helped to lessen the inevitable dislocation and assist Canadians to compete more effectively.

Instead of additional jobs many Canadians have seen unemployment. Tariff reductions in the GATT rounds have disrupted some Canadian industries but most dislocations in the past have been anticipated and assistance had been designed to help. In the case of free trade with the United States, the loss of manufacturing jobs has been visible enough but not the matching adjustment assistance. The adverse impact has been yet more visible as a result of being concentrated in specific areas of manufacturing and in specific communities that remain unaware of any effort to assist them to cope with the inevitable dislocation.

• (1350)

Some part of the all too evident job loss is a result of new international competition and a global recession and of continuing fiscal excess at home and an overly enthusiastic anti-inflationary policy in Ottawa, bringing with it high interest rates and a greatly inflated Canadian dollar. However, some part of the job loss is as a result of the absence of effective adjustment assistance, especially with regard to the access to capital by small businesses whose equity base is too weak to borrow against.

The need for innovative measures to assist small businesses to do their jobs was well identified by the Canadian Labour Market and Productivity Centre when it said in its recent report: "The continuous innovation and investment required to support a high value-added

economy will not occur without supportive financial assistance".

Even in this area of trade policy the government's work is at best half finished. Only the most sanguine among us today would argue that the Canada–U.S. Free Trade Agreement has lived up to the extravagant promises made by the government in 1988. Its central justification was to secure access to the American market in the face of rising U.S. protectionism, yet a whole series of recent trade disputes have demonstrated just how tenuous that access is.

One of the principal reasons that the Liberal Party supported Canada's participation in the North American free trade negotiations was to correct shortcomings in the original Canada–U.S. Free Trade Agreement. We called for tougher environmental and labour standards. We called for an accession clause to make it easier for other countries to join and thus to expand Canada's free trade options beyond the United States. Most important, we called for the inclusion of a subsidies and anti-dumping code, one which would put to an end the kind of trade harassment that has been eroding the free trade environment between the two countries and that would introduce a badly needed degree of predictability in our entry into the yet untested waters of Mexico.

As the House knows, there remains a great flaw in the NAFTA, or a black hole at the centre, which threatens to undermine the success of the entire regime. That is the continuing absence of a common set of trading rules. Not only is there no definition of subsidies in the agreement or a commitment to replace countervail action with competition law, but even the agreement's modest provision to pursue these objectives with in a specified time has been quietly dropped in the NAFTA, to be replaced by a woolly commitment to pursue the goal in some future consultations.

It is most important and most regrettable that there is an absence of common trading rules embedded in either the FTA or the NAFTA. In the long run it will undermine the legitimacy of the entire arrangement. The NAFTA is essentially a political document. However, its authority ultimately rests not on the letter of the text, but on the support it enjoys among the electorates of the three countries.

Nothing has done more to undermine enthusiasm in Canada for freer trade agreements than the highly public spectacle of ongoing punitive and seemingly groundless U.S. trade actions launched during the four years since the beginning of the supposed era of free trade with the United States. Beyond all others, it is this central question that must be addressed.

It is for that reason the Leader of the Opposition has called for amendments to the North American free trade agreement. "A Liberal government", he has said, "will seek changes to the agreement and to the North American free trade agreement". He went on: "Unlike the Conservatives, we know an opportunity when we see one. There is a new administration in Washington. It has said it wants to reopen a number of these same areas. A Liberal government will take it up on that. Not only will we seize opportunities", the leader continued, "we will create new opportunities. If it is inevitable that a western hemisphere trade bloc evolves, Canada must play an active and independent role in defining that bloc instead of always reacting to Washington's hub-and-spoke approach to trade in this hemisphere".

• (1355)

"Canada", he concluded, "should be working with other countries to minimize dominance by the stronger partner. While we must seize the opportunity to have trade in the Americas, a Liberal government will not turn its back on the rest of the world. The fastest growing economies in the world are in the Pacific basin. The current government has ignored that region although Canada is a Pacific basin nation. A Liberal administration will put a high priority on existing trade with that dynamic region".

For the reasons that I have touched upon and others that would be easy to elaborate on, I want to move an amendment to the motion before the House.

I move:

That the motion be amended by deleting all words after the word "entails" and by substituting the following therefor:

renegotiating the Canada–U.S. Free Trade Agreement and the North American free trade agreement and includes, within a framework of fiscal responsibility, such actions as a jobs plan, an infrastructure program and a national child care program in order to ensure job creation and prosperity for Canadians.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair will take the motion in amendment, moved by the hon. member for Etobicoke North and seconded by the hon. member for Hamilton West, under advisement.

[*English*]

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I think the electorate will be interested in this latest brand of medicine being sold to cure the country's ills by members of a party who, when they last formed the government, produced interest rates at 22 per cent, initiated the terrible burden of debt, were absent to any significant economic policy and led us to higher unemployment rates than this government has.

What do we have? First, we have a clear indication of the honesty that is to characterize the Liberal Party. For example, it is alleged by the member for Etobicoke North that we are advocating nationalization in the resolution the New Democratic Party has submitted today. Nationalization, whether advocated or not, is not in the motion here. He then criticizes us for what is not in the motion.

I think the Canadian people will catch the message of the amendment. Note that a party which has yet to produce an economic plan, whose leader has steadfastly resisted propounding an economic plan and would suggest to the Canadian people that it will renegotiate and redefine NAFTA has amended the motion to do just that.

An hon. member: Based on what motion?

Mr. McCurdy: It would do just that and include in the motion the approval of the free trade agreement and of NAFTA but it would steal—as the Liberals are wont to do so frequently—the fundamental economic portions of this platform. The only thing that is negated is the cancellation of the free trade agreement and our insistence that NAFTA not be proceeded with.

The question I have to ask is whether this party will ever have an economic plan. How does it perceive that it can proceed to renegotiate the free trade agreement when there is no provision for renegotiation?

I can just see it all now. The leader of the federal Liberal Party, that other Darryl, will go to—

The Acting Speaker (Mr. DeBlois): Order, please. Time is running out. The hon. member for Etobicoke North for a short answer.

Mr. MacLaren: Mr. Speaker, it is difficult to give a short answer to all that stuff.

Since the motion suggests that the NDP is against privatization then I assume it means to renationalize industries, but perhaps its language does not really mean anything.

On the question of government spending, the member will recall that prior to the 1984 election, real interest rates in Canada were lower then than they are today. If the member has some difficulty with real interest rates then he should address himself to that side of the House, to the government, which has consistently—

Mr. Speaker: It being two o'clock p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

NATIONAL NUTRITION MONTH

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, March is National Nutrition Month. This year, the national campaign of the Canadian Dietetic Association will emphasize the fact that eating better is good for you and the search for answers to women's nutritional needs.

The purpose of this campaign is to make women more aware of their diet and the importance of what they eat. It considers the diet-related health problems women face these days, including cancer and cardiovascular disease, the thinness craze and the concept of healthy body weight. During the campaign consumers will take part in activities and receive information to help them make sensible choices when planning their meals.

The Canadian Dietetic Association and its members are to be commended for this campaign and I wish them every success. The Department of National Health and Welfare is to be commended as well since its Canada Food Guide was used for this campaign.

S. O. 31

[*English*]

THE PROGRESSIVE CONSERVATIVE PARTY

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, there are strange things going on with the Conservatives. The Prime Minister says his party is in great shape financially while headlines consistently confirm that the country is in an economic mess.

Conservatives claim to be insistent on the need for a regular accounting of the nation's finances. Yet there is talk that the budget will be put off until after the leadership convention in June or perhaps later, or perhaps not at all. They say they do not want to further tie the hands of the next Prime Minister beyond what an eight and a half year steady $35 billion deficit has already done.

The *Titanic* ship of state is on a course at full speed headed irreversibly for the mother of all icebergs in the midst of the storm of the century with no radar. The captain has abandoned ship while the senior officers who helped plot the course are not exactly clamouring to assume command. In fact, many are joining the 100 of the 157-member ship's company who are also abandoning ship.

The country is sinking and the lifeboats are going down with the ship. Only a change with a Liberal captain and crew will be able to refloat the ship of state and put it on a safe course.

* * *

THE CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, there can be no doubt that the free trade agreement has been very beneficial to Canada's agricultural sector.

In fact, exports of durum wheat to the United States have increased 52 per cent since 1988 while exports of refined canola oil are up 77 per cent.

The success of the FTA is augmented by the inclusion of the dispute settlement mechanism which has yielded one positive result after another.

Recently the FTA panel report on exports of durum wheat rejected American allegations that our wheat is shipped into the United States at unfairly low prices.

In fact the panel ruled that the practices of the Canadian Wheat Board and the Western Grain Transportation Act are within the bounds of the free trade agreement.

History will show that this government made the right choice in its adoption of a policy of freer trade.

* * *

FOREIGN AID

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in 1987 the Government of Canada, in a policy statement entitled *Sharing Our Future*, said that its top priority is the alleviation of poverty in the Third World. Last June at the earth summit in Rio the government promised new and additional aid to help poor nations in Africa and elsewhere.

Now we learn that the government is cutting aid to the poorest in Ethiopia, Uganda, Kenya, Tanzania, Madagascar and Niger. We have urged these countries to adopt democracy and human rights. Now we are abandoning them to their fate at a time when they actually need our aid more than ever to improve health care, water quality, and agriculture, and to reduce desertification.

This cowardly and insensitive decision to cut aid to the poorest of the poor is not worthy of Canada's reputation abroad. This decision should be reversed in our common interest. Canada should not break its promise.

* * *

• (1405)

PHARMACEUTICALS

Hon. Alan Redway (Don Valley East): Mr. Speaker, a year ago the president of the generic pharmaceutical manufacturer, Apotex, said that Bill C-91, the drug patent bill, would destroy the generic drug industry.

Last week Apotex officially opened a new $200 million facility, which according to the president is the largest expansion in the history of the pharmaceutical industry in Canada. At the same time the deficit-ridden Ontario

NDP government announced that it is providing a grant to Apotex of $1 million. Apparently Bill C-91 has not destroyed the generic drug industry. In fact, it seems to be thriving.

By the way, whatever happened to those corporate welfare bums the NDP used to tell us about?

* * *

THE PREMIER OF NEWFOUNDLAND

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, the premier of Newfoundland has learned nothing from the tragedies at Davis Inlet during the last year. The Innu find his assertions that self-government has nothing to do with the problems at Davis Inlet as arrogant and contemptuous as Newfoundlanders found the comments of Charles Lynch about their opposition to Meech Lake.

The premier says the Innu are being manipulated by their elected representatives and that unlike him they do not know what is good for Innu communities. The premier wants the Innu moved to Goose Bay or Schefferville.

The member for Chateauguay would have all Indians moved to Labrador and Charles Lynch would have all Newfoundlanders dragged out to sea.

If mainlanders talked about Newfoundlanders the way the premier talks about the Innu he would go ballistic.

The Innu have completed a study recommending relocation of their community to Sango Bay. A federal-provincial study has confirmed that relocation. The premier's comments are a good indication of why the federal government should assert its jurisdiction and negotiate directly with the Innu.

* * *

WESTERN GRAIN TRANSPORTATION ACT

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, in its report on the St. Lawrence seaway the transport committee recognized that the seaway system is dependent upon eastbound grain traffic for its survival.

There is evidence that the current method of payment of the western grain transportation subsidy is distorting the natural directional flow of grain shipments. As such, the committee recommended that until various discrepancies caused by the Western Grain Transportation Act are dealt with, the subsidy should be extended to include grain export movements through the seaway.

I believe that the subsidy is causing a directional bias in the shipment of grain in this country to the detriment of the seaway system. This distortion not only affects grain traffic flowing east but also has an effect on cargoes that move in a westerly direction through the seaway, such as iron ore. This further impacts on a steel industry that is already suffering.

Changes are being considered in the Western Grain Transportation Act. These changes must take into consideration transportation issues in addition to the welfare of our western farmers. I ask the government to eliminate the current directional bias that is having such a great impact on the St. Lawrence seaway.

* * *

THE GOODS AND SERVICES TAX

Mrs. Diane Marleau (Sudbury): Mr. Speaker, Australian voters have said no to the GST and therefore will not suffer the disastrous effects of such a tax. Congratulations, Australia.

Here in Canada citizens did not have the same opportunity for honest and open debate to either approve or reject this tax before the Conservative government railroaded us into this terribly complex GST regime.

The Minister for International Trade has decided not to run for the leadership of the Conservative Party because he cannot divorce himself from Conservative policies like the GST.

It matters not who leads the Conservative Party. Canadians remember that this is the party that, among other disastrous policies, imposed the GST. Canadians have and are suffering the consequences.

Soon Canadians will have a say and then this government will pay the price.

* * *

EMPLOYMENT AND IMMIGRATION

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, although staffing of the CEIC office in Springhill, Nova Scotia has recently been reduced I am assured that

services will be fully maintained and the office will remain open.

This office has served the western part of Cumberland county for many years and plays an important and essential role in the lives of people in the area.

Western Cumberland county has suffered several negative economic impacts, and although there are now some promising developments the office must be maintained.

I will be monitoring the future of the Springhill office and working with the minister to ensure that traditional services continue and the Springhill office stays open for business.

* * *

• (1410)

UNEMPLOYMENT INSURANCE

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, thousands of people came out in Toronto on Saturday in the storm of the century to produce a storm of their own in protesting the UI cuts. These people obviously agree with the 58 per cent in an Ekos research poll that the proposed changes are a clear departure from the Canadian tradition of providing income support for the unemployed.

They were warmed by their concern for the unemployed and the impoverished and their outrage against the government's attack on the unemployed, both of which led them out into the bitter weather conditions.

The government should be listening to these dedicated individuals and to the majority of Canadians. The government's economic failure to control unemployment should not be shifted onto the backs of the unemployed.

* * *

[*Translation*]

WORLD CONSUMER RIGHTS DAY

Mr. Michel Champagne (Champlain): Mr. Speaker, today is World Consumer Rights Day as proclaimed by the International Organization of Consumer Unions. This year's theme concerns transnational corporations and consumer interests. Throughout the world, consumers will celebrate this anniversary by taking part in activities emphasizing their contribution to society.

Consumers have a vital role to play in maintaining Canada's prosperity and competitiveness. Volunteers who work for consumer groups have spoken up for their rights as consumers and have been acknowledged by the Government of Canada.

We want to see a strong consumer movement that continues to promote the needs of consumers. Founded in 1960 by five consumer associations from the United States, the United Kingdom, Australia, the Netherlands and Belgium, the IOCU now has 170 organizations representing 65 countries on five continents. The IOCU deals with consumer problems at the international level, including those related to medical products, pesticides, tobacco and infant formulas.

That is why, as Canadian parliamentarians, through our Department of Consumer and Corporate Affairs, we support a movement that is so important for Canadian consumers.

* * *

[*English*]

PEACEKEEPING

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, it is not generally my custom to wear any insignia or badge on my lapel with the colour blue on it. However it is with great honour that I am wearing a blue ribbon today to salute the creation of the blue beret group, designed to honour and recognize the men and women serving in our peacekeeping missions in widespread areas around the world.

This blue beret group is the idea of Mrs. Cathy Sargent, who is the wife of a peacekeeping officer. In this new age of peacekeeping in which an increasing number of Canadians are putting their lives at risk it is critical that we find ways to say to them: We take pride in their actions; we support their efforts; and we have not forgotten them.

Other members on both sides of the House should also consider wearing a blue ribbon. I would be glad to supply them with these ribbons.

I also call on the government to endorse the notion of a blue beret day in Canada to honour our peacekeepers. I urge the Minister of National Defence to meet with the founding members of this group in Winnipeg so we could perhaps make this a national identification.

Members will remember that during the gulf war thousands of American citizens wore yellow ribbons to support their troops in that area. Let us make the blue ribbon a nation-wide symbol in recognition of our peacekeeping troops and their courageous efforts to try to maintain peace world-wide.

* * *

THE BRIER

Mr. Doug Fee (Red Deer): Mr. Speaker, Ottawa was the site of some exciting curling this past week as the Brier came to town. Congratulations are due to Russ Howard and his Ontario rink who won the right to represent Canada at the world tournament in Geneva at the end of the month.

Those watching the Brier saw all sorts of red stetsons in the stands. The trademark hats are being sported by the 1994 Brier committee. They were here to promote next year's event in Red Deer, Alberta.

They did a fine job. Tickets for next year's Brier were snapped up and people are in for a treat when they visit Red Deer next year. There is not a bad seat in our new Centrium and there will be plenty to do between draws. Red Deer is one of the smallest cities to ever host a Brier but the 1994 Brier will be big on hospitality and the enthusiasm of the organizing committee promises a great time for all.

I encourage all curling fans to hightail it to Red Deer for the Brier in 1994.

* * *

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, this government clearly does not know its own mind with regard to its own staff relations. Six and three-quarter years ago, in June 1986, this Tory government drafted, introduced and, with all-party support, passed Bill C-45, the Parliamentary Employment and Staff Relations Act, through both the House and Senate and Royal Assent was given.

However the cabinet has still not acted to proclaim the operative sections, parts II and III, which simply extend to parliamentary employees the same labour standards and health and safety protections enjoyed by all other federal workers.

• (1415)

This almost seven-year delay has to be the longest legislative pregnancy in history, and it was not an immaculate conception. It is a Tory baby and it begs the question: Did the government not know what it was doing in 1986 or does it not know what it is doing now? When is it going to deliver?

* * *

YOUNG OFFENDERS ACT

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, on March 4 I hosted a special town hall meeting in my riding. The subject of the meeting was public safety and the Young Offenders Act.

We had a high turn-out, which clearly shows the level of public concern about this issue. A panel of experts was on hand to answer questions. The discussion was lively and often heated.

My constituents were very clear. They are tired of seeing a disproportionate amount of crime committed by young offenders. They want major changes to the Young Offenders Act so that the act can serve as a real deterrent. They recognize that it is only a handful of repeat young offenders who give all youth a bad name and they want the means to deal severely with these few.

Once again I urge the Minister of Justice and the Solicitor General to overhaul the Young Offenders Act. It is painfully clear to the residents of Edmonton—Strathcona that the act is not working. The age for transfer to adult court should be lowered and penalties for repeat offenders should be strengthened. A review of the act has long been promised but the time for action is now.

* * *

POULTRY INDUSTRY

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, when is chicken not chicken? When it is left to this government and its trade negotiators.

According to article 706 of the free trade agreement with the United States, import restrictions do not apply on 13 different types of further processed chicken. The definition states that chicken and chicken products do

not include chicken cordon bleu, breaded chicken cordon blue, chicken Kiev, chicken breaded Kiev, boneless Rock Cornish with rice, stuffed Rock Cornish, boneless chicken, chicken Romanov, chicken Neptune, chicken TV dinners, old roosters and spent fowl. Of course we see a lot of old roosters across the way.

This is a loophole large enough to drive a truck through. Indeed Campbell's Soup has decided to do just that: bring truckloads of further processed chicken into Canada. Campbell's is selling its St. Mary's, Ontario, plant which supplied chicken for its soup and TV dinners and will import lower quality U.S. processed chicken instead.

I call on the government to take advantage of the U.S. government's desire for side trade agreements to close this and all similar loopholes that are haemorrhaging jobs out of Canada.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Acting Prime Minister who I understand today is the minister of fisheries.

Last week the Minister of Finance said that he did not want to bring down a budget in the middle of a Tory leadership race. Today it is clear there is no Tory leadership race. The only race is to see who can get away the fastest from that sinking ship, the Tory record.

If last week's excuse for not presenting a budget was the Tory leadership race, what is the excuse this week?

Hon. John McDermid (Minister of State (Finance and Privatization)): First, Mr. Speaker, the Minister of Finance did not say that last week. The hon. member knows that is not what the Minister of Finance said at all.

The Minister of Finance is carrying on his pre-budget consultations. He is in Montreal today carrying out that task. I am sure he will be making an announcement to the House of Commons and to the people of Canada in the fullness of time.

Hon. Herb Gray (Windsor West): Mr. Speaker, I have supplementary question for the Acting Prime Minister.

The number of Conservative ministers who want to run for leader is shrinking by the hour as they recognize that after nine years of Conservative policies their chances of being Prime Minister for very long after their convention is not that great.

One of the ministers who has made up his mind is the Minister of Finance. Can the Acting Prime Minister tell the House today whether the Minister of Finance will put the interest of the country ahead of the interest of his party? Is there going to be a new job creating, growth creating budget before the Tory leadership convention? Yes or no.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, this has been answered on Thursday and Friday and again today by myself.

I might say to the hon. member that in December the Minister of Finance brought forward an economic statement which included a number of job creating proposals especially aimed at helping small business to create jobs in this country and brought forward an infrastructure program within that budget. Although it was a modest infrastructure program it was one that was responsible within the fiscal restraints that we have.

• (1420)

The Minister of Finance has already put in place these economic stimuli for the economy. We are starting to see some very positive results from that and we will continue to through 1993.

[*Translation*]

Hon. Herb Gray (Windsor West): Mr. Speaker, I would remind the minister that it is his government which was in the habit of boasting about the merits of a regular budget cycle, but he no longer talks about that today. I would like the minister to tell us right away what must come first, the whims of the Conservative Party or the economic needs of Canada?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): The economic needs of Canada, Mr. Speaker.

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

The truth is that the government seems to be more concerned about the state of the Conservative Party than about the state of the country's economy. The party is collapsing like a house of cards. Senior minister after senior minister is withdrawing from politics rather than having to defend the government's record. Over 400,000 people have lost their jobs in the last recession.

I would like to ask the Acting Prime Minister a simple question. Will there be a jobs budget? Yes or no.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I answered that question. The Minister of Finance will make an announcement in the House at the appropriate time.

She will have to wait for it. She will have to show some patience for a change.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, everyone knows that the Prime Minister is rigging his own succession. However, his strategy is collapsing with the retreat of several senior ministers. Instead of preparing his budget, the Minister of Finance is playing with the budget in order to boost his own leadership bid.

I would therefore like to put my question to the Acting Prime Minister. Since more than 400,000 people have lost their jobs in this last recession will he present a job-creating budget? Yes or no.

[*English*]

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, when the Minister of Finance brings down a budget it will certainly be a job creation budget. When I brought down a budget the House brought me down so we are going to approach this very carefully.

* * *

TRADE

Hon. Audrey McLaughlin (Yukon): I suppose, Mr. Speaker, the Canadian people will have a chance to bring the Tory government down in the next election.

My question is for the minister of trade. It was announced last Thursday by the U.S. that it wanted another form of parallel accord to protect U.S. interests from potential import surges from Canada and Mexico as a result of NAFTA. It seems that virtually every week the U.S. administration is raising some new concern about the NAFTA deal while this government clearly has been silent. In fact the government insists on ramming this deal through Parliament without any clear sense of where NAFTA is actually headed.

Clearly there are many outstanding questions about NAFTA. Will the Minister for International Trade and his government withdraw this piece of legislation?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the simple answer to that question is no, but I want to draw my colleague's attention to the fact that in February 1992 the government put forward some proposals for side agreements which covered a number of the areas being raised by the U.S. administration.

The Bush administration turned down those proposals. The Clinton administration has said that it is willing to talk about the Canadian proposals. This is the basis on which we will be going into the negotiations later this week.

Hon. Audrey McLaughlin (Yukon): I have a supplementary question, Mr. Speaker. The Clinton administration has told the government that it wants an arrangement on import surges and that trade actions should be permitted where environmental standards are not enforced.

The government has acknowledged that were this to proceed it would mean that the NAFTA deal would have to be reopened.

• (1425)

My question is again directed to the minister of trade. Clearly this is not a deal that has been completed. Yet the government insists on putting it before the House of Commons when there are many other negotiations taking place that will fundamentally affect the deal itself.

Will the Minister for International Trade and his government not remove this piece of legislation from the House of Commons until Canadian people and members of the House of Commons really know what they are voting and debating?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me just say for the umpteenth time that the agreement signed on December 17 will not be reopened. President Salinas, President Clinton and the Prime Minister have all agreed that it will not be reopened. The House is being asked to consider the legislation to implement the agreement.

In addition there are the side agreements which, as I said, are a continuation of the Canadian agenda as put forward last February. We will be fully equipped, having had consultations with environmental non-governmental organizations and with labour organizations, to develop the negotiating mandate. It is that mandate the negotiators will be following when they sit down at the table, which I believe will be on Wednesday.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, clearly, as far as NAFTA is concerned, the President of the United States has decided not to present the bill to Congress before negotiating the parallel accords.

Given the concerns in Congress and the decision by the President of the United States, why does the Government of Canada insist on presenting a bill here in the House before the parallel accords are negotiated? Furthermore, why does the government not recognize the need to present a total agreement to the House of Commons and to Canadians?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, we are presenting legislation covering a total agreement, the agreement that was signed on December 17.

The legislative process in Canada has been under way with the hearings that have been held. It has been also under way in the United States. The negotiation on the terms of the implementing legislation in the United States is also under way. It will commence on April 1 in the Mexican Congress. The processes are all under way at about the same time.

I also want to underscore the point that the NAFTA, the agreement we signed on December 17, is a good deal in itself. It is for that reason we want to tie that one down and make sure we have the approval of the Parliament of Canada to ensure we get the full benefits of the agreement.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, last week the Minister for International Trade said that in any negotiations surrounding the North American free trade agreement: "A country has to be willing to give something in order to get something".

Now that the United States has reopened negotiations by demanding three parallel accords, could the minister explain what the Americans are willing to give in exchange for their three parallel accords, in exchange for Canadian government support? Is the Canadian government seeking a parallel accord on subsidies, a code which, for example, the C.D. Howe Institute in the last few days has again emphasized is critical to the success of any free trade agreement?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me say for the umpteenth plus two times that this agreement is not being reopened. The agreement that was signed on December 17 is not being reopened, and I see my hon. friend nodding his head in agreement.

If there is to be any change in the subsidies code, that would entail a reopening of negotiations. Under way right now there are proposals under the GATT made by Director General Dunkel that satisfy the requirements of the Canadian government.

• (1430)

It is those proposals that we are pressing hard through the GATT negotiations. I would say to my hon. friend that by having these side agreements we are getting things that we sought in February 1992. These are going to improve upon the broad relationship between Canada and the other two countries, but they are not a change. They will not result in changes to the NAFTA that was signed on December 17.

Hon. Roy MacLaren (Etobicoke North): The minister knows that the parallel accords will modify or in some ways alter the content and the terms of NAFTA. Otherwise, they would be meaningless. They would have no purpose. If the United States government attaches such importance to its three parallel accords it must be

asking the Canadian and the Mexican governments to support it on those three parallel accords. I ask the minister, what are Canada's interests? Why does the Canadian government not advance a proposal for a parallel accord in an area of prime concern to Canada, the subsidies code?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, if we proposed changes in the subsidies code we would be reopening the agreement. What we put forward as of February 1992, and which will be reiterated at the meetings on Wednesday, are proposals that we believe are important in the relationships on the environment and on labour in particular.

Let me remind my hon. friend that there are five areas that Mr. Kantor has said are the object of U.S. interest: border clean-up between Mexico and the United States, nothing to do with Canada; stronger enforcement of national laws, primarily focused on Mexico; North American commissions on environment and labour standards which are the two areas that Canada proposed in February 1992 so that it is a continuation of the Canadian agenda; and worker adjustment and retraining, which is a matter between the U.S. administration and U.S. Congress. It should be done because Canadian laws or Canadian training programs are about two to three times more generous than the U.S. laws. The fifth area is that of import surges and we are not sure precisely what the Americans have in mind on that one. We will know better as we go through these discussions later on this week.

* * *

RUSSIA

Mr. John Harvard (Winnipeg—St. James): My question is for the Secretary of State for External Affairs.

The government has reiterated its support for Russian President Yeltsin. According to government spokesmen on the weekend, the Prime Minister wants action taken by the G-7 countries. Apparently the Prime Minister wants "an urgent and visible infusion of aid to Russia" now. The Prime Minister does not have to wait for the other G-7 countries. Our grain shipments to Russia have been stalled for months. They could be resumed if the government extended a new line of credit.

My question for the minister is whether the government is prepared to do that to help Russians, at the same time help prairie farmers.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I will be in a position to give the hon. member a more complete answer tomorrow. As he knows, there is a sherpas' meeting having to do with the G-7 meeting going on at the moment. Mr. Fyodorov gave the Russian position as to what they felt would be needed over the next little while. I think it is important that we not treat President Yeltsin and the Russians as a supplicant. This is a very important country in terms of the stability of the world and it is a country that has been a superpower.

We will be looking at all aspects of aid. We want to be as creative as we can. We recognize the position of western farmers, but we also want to ensure that whatever aid we give, whether it is bilaterally or multilaterally through the G-7 or other support systems, is the right kind of aid and what is needed at this moment.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, it seems to us on this side that if the government was really sincere about helping Russia it would tackle the wheat issue. Resumption of wheat shipments would help cash-starved prairie farmers. It would provide employment to seaway workers and it would restore hope to the port of Churchill which is slowly dying under current government policies. Moreover the Russians, who are good customers, want more wheat shipped through the port of Churchill. So what is it, an offer to help the Russians or just talk?

• (1435)

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, this is definitely not just talk. On a per capita basis Canada has been among the most generous of western countries and we will continue to be in the forefront of what needs to be done.

I think it is also important to know that those have been commercial arrangements with Russia in the past that have gone on for some 35 years and they will continue to exist in the future.

There is obviously some bridging needed but it is also important to indicate to the Russians and to the Russian people that the economic reforms and the economic disciplines are important as well. We are going to be there for Russia and we are going to be there to ensure that economic reform and democratic reform proceed in Russia.

That is exactly what this meeting is about right now. That is why Mr. Fyodorov is at the sherpas' meeting. When we get a full report then we will be actively considering the most imaginative and creative programs that we can bring forward to help Russia and the other countries of the former Soviet Union as well.

* * *

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Acting Minister of Finance. Despite the Minister of Finance's attempts to interfere in Australia's election the GST claimed another victim with Labour's victory there this past weekend.

I want to ask if this government is now going to concentrate on economic issues here in Canada. Is it finally prepared to recognize, with 1.5 million people out of work, that it must bring forward a full scale budget to present to this House of Commons immediately?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, earlier in the House today I explained to my hon. friend that this government put before the people in 1988 a goods and services tax. They elected this government and we implemented the goods and services tax. The hon. member has a short memory.

As far as the budget is concerned, that question was answered on Thursday, answered on Friday and answered again today. The Minister of Finance is carrying on pre-budget consultations at the present time and he will make an announcement in this House in due course. The hon. member will just have to be patient until the Minister of Finance returns.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the GST will become known as the Goodbye Sorry Tories tax.

The United States federal reserve chairman, Alan Greenspan, warned that the American recovery is the weakest on record, yet the government continues to rely on export increases to the United States to push Canada ahead.

Will the government recognize that we need our own domestic economic moves here in Canada? We have set out our New Democratic jobs plan. Why will the government not set out a plan for the economy?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the Minister of Finance laid out a pretty comprehensive plan in December which has been well received and which is operating. I might note that the unemployment rate has dropped in the last couple of months. It stands at 10.8 per cent. It is still too high and we readily admit that, but it has come down from 11.8 per cent. It is dropping and is heading in the right direction.

The Minister of Finance brought forward what I believe and what most people believe to be a very responsible statement in December, giving modest help to the economy while at the same time keeping in mind the fiscal constraints in which we are operating.

One of the things the New Democratic Party's economic plan does not factor in is all these things they are going to walk away from like the free trade agreement, the NAFTA and the GST. They are not factored into their over-all plans. Once those are factored in to the over-all plans, again it is typical *Alice in Wonderland* financial policies of the no down payment party.

* * *

STUDENT AID

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is for the Secretary of State. For over eight years the government has promised to bring forward a sensible and modern student aid program.

• (1440)

What has it done? It has imposed a 3 per cent tax on student loans. It has added six months' interest to student loans. Now it has brought forward a request for financing Canada student loans which does nothing to respond to the educational needs of the students, nothing whatsoever.

In fact, it is the beginning of privatization. Canadians want to know, students in particular, what will be the future eligibility requirements for student loans? Who will establish the requirements and what will be the role of the banks in the establishment of those requirements?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, the hon. member raises a question in which certainly many Canadians have shared an interest.

This year alone over 250,000 students will be receiving close to $800 million in loans to attend post-secondary institutions.

The hon. member is aware that the program has been undergoing a very careful review. The minister has promised to bring forward very soon an improved plan which will help those who are most in need. I too am looking forward to that very soon.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, promises, promises and there are no answers to the questions.

[*Translation*]

The government has set up some initiatives like *Stay-in-School* and *Learning Well—Living Well*. That is laudable. But this new program that it is proposing for student aid is contrary to these initiatives and does absolutely nothing to encourage students to continue their education.

What message is this government sending to students? What is it doing to our young Canadians?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, since the program began in 1964, more than two million full-time students have received more than $7.6 billion in aid from this program.

I am sure that the hon. member will be very grateful that the minister has already consulted. She has many ideas and will soon announce an improved program that will certainly help those who need it most.

[*English*]

AGRICULTURE

Mr. Rex Crawford (Kent): Mr. Speaker, my question is for the Minister of Agriculture.

The Campbell's Soup Company is closing its doors in my riding next month with the loss of over 300 jobs and a ripple effect of $15 million lost from our already battered agricultural economy. It is just one of over 100 food processors to die or scale back since the free trade agreement.

What will the minister do to keep this plant open?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, the Minister of Agriculture is actually with his counterparts in the prairies. I will take note of that question and we will get an answer on that.

We should remember that so far with the free trade agreement, we increased our exports in the agrifood area by something around 30 per cent over the first two years of the agreement. It is really booming. We are talking about billions of dollars of exports to the United States.

Obviously in some areas, like canning, we have to get some redefining in the structure of the industry. If you look at the agrifood sector as a whole, we have had great success over the first two years of the free trade agreement.

Mr. Rex Crawford (Kent): Mr. Speaker, by my figures it has been decimated in our area.

The minister is aware that over 7,000 jobs in Ontario have gone in this industry since 1989, out of 11,000 jobs across Canada. Campbell's has been in Chatham for nearly half a century. My local tomato, pea and carrot growers have lost over $3.5 million in contracts from the Campbell's closing alone.

What will the minister do to save this crucial industry from being decimated?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, as I mentioned to my hon. friend, with those complex issues where industry is restructuring, we do not have simple answers to complex questions.

As I mentioned, we have created the SAGIT committee on international trade in order to get people involved in industry in the agrifood sector to work together with government at the provincial and federal levels in order to work out ways and means on how to address those problems.

• (1445)

Obviously plants are closing but the industry as a whole has to be looked at. I repeat that there was an increase of 30 per cent in exports to the United States for the first two years of the free trade agreement. Sometimes when there are problems they are not related to the free trade agreement. As far as I know, it is related to the whole restructuring of the industry.

* * *

ARMENIA

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is for the Secretary of State for External Affairs.

For the fourth year in a row the government of Azerbaijan has continued its blockade of Armenia. This winter has found the people of Armenia suffering extreme hardships. Many have died. With the melting snow and floods of spring, epidemics can be anticipated to rage out of control. This desperate situation has reached a crisis.

Will the Canadian government move quickly to ask for an urgent meeting of the United Nations Security Council to address this critical situation to find a way to force the removal of the blockade of Armenia thereby allowing food, medical supplies and fuel to reach these desperate people?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, let me say first that like others the Canadian government is very concerned about the situation in Armenia and what has happened there over the past few years. We have taken a strong role in the CSCE in trying to bring about a solution in a series of negotiations that might help to bring this situation to an end.

I appreciate the hon. member's suggestion that this should come before the Security Council. I do want to report to him that through the CSCE, in part because Canada began the process in the CSCE well over a year ago, there was a bit of a breakthrough last Thursday in terms of bringing people to the table. There was a meeting in Vienna. There will be an eight-member mission to Armenia and Azerbaijan to lay the groundwork for negotiations in the future working toward a ceasefire.

That has not stopped us from urging that all the parties bring this to a solution, nor has it stopped us from giving humanitarian aid to Armenia and to others in the region to try to alleviate the immediate suffering.

We will not hesitate to propose taking it to the Security Council should the CSCE efforts fail. However, we think we are seeing a breakthrough at the moment.

* * *

FITNESS AND AMATEUR SPORT

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the seatmate of the Minister of National Defence, the Minister Responsible for Fitness and Amateur Sport.

From rowing to the biathlon, from figure skating and skiing to track and field, the Canadian sports system is now producing world-class performances and world champions in a wide range of sports.

In view of the many benefits to Canada and Canadians of offering opportunities for our athletes to compete effectively at international levels of sport, why has the government chosen this moment to administer devastating cutbacks to the Canadian sports system?

If the minister is inclined to blame fiscal realities, how can he explain to Canadian athletes, the Canadian sport community and to the Canadian people how there is less money now for sport on the one hand but there is $5.8 billion for helicopters on the other?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I will allow my seatmate the privilege of dealing with the helicopter issue as she did so well last week.

The hon. member raises a very important question. Sports is extremely important in Canada and the hon. member deserves an answer. Of course I did not agree with the preamble and all that, but with respect to the very serious question relating to the important issue of sports in Canada, particularly the tremendous success of some of our athletes in particular in the last week or so, whether it be in Prague, in Toronto, or elsewhere in

Europe, the government has a fiscal situation which applies to everything including the budgets with respect to sports. I am sure that with my hon. colleague's support, we will get a response from the government to the task force which makes recommendations to deal with such issues.

• (1450)

Mr. John Brewin (Victoria): Mr. Speaker, my supplementary question concerns the other part of the minister's portfolio, the fitness side.

Is the minister aware that the health care costs arising out of inactivity by Canadians exceeds the costs attributable to smoking? If so, how does he justify the Draconian cutbacks he imposed on federally funded fitness programs last week and the demolition job he performed on active living organizations responsible for carrying out those programs?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I suppose vocabulary is very easy and very cheap sometimes, but Draconian and demolition, I think my hon. friend would want to look back on those words.

If, as he suggests, I did a demolition job last week, I was responding to recommendations from the fall forum and from the steering committee that was set up to look at those recommendations and propose infrastructure changes with respect to active living.

This is extremely important in Canada and we have to encourage active living because it does save health costs. I am sure that with those savings we will be able to do more not only for the sports community, but also for the active living community.

* * *

FEED FREIGHT ASSISTANCE PROGRAM

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Another important area which is about to receive cutbacks is the Feed Freight Assistance Program in Atlantic Canada. Farmers accept that is their share and they have to play a part in the reduction. The only thing they take exception to is the formula used. They have proposed a much more fair and equitable formula that still maintains the principle of the Feed Freight Assistance Program.

Can the minister give us an update and explain if we have accepted that proposal?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): My hon. friend is raising a very important point. On February 25 Agriculture Canada officials met with their provincial counterparts involved with this issue. There were discussions as a follow-up to this meeting.

A compromise proposal was offered and put on the table to our counterparts in the maritimes last Friday. The proposal is now in their hands. I am told they are considering it and will get together again this week or next week. It is moving in the right direction. We are trying to get an honourable compromise to make sure that the program is working well.

* * *

IMMIGRATION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the minister of immigration.

Last week my colleagues from London East and Hamilton West asked why certain women subject to gender persecution were being deported to their countries of origin. In answer to their questions the minister referred to the new guidelines issued that day by the Immigration and Refugee Board as if this was a solution for these women.

Since these women from Eritrea and Russia were already rejected by the refugee board before the new guidelines were issued, will the minister now grant them entry to Canada on a humanitarian and compassionate basis and be consistent with the new guidelines?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, as I indicated last week, every case of rejected refugee claimant is subject to a case-by-case review where the principles of humanitarian and compassionate considerations are given.

These cases to which the hon. member refers will go through that process absolutely.

Hon. Warren Allmand (Notre–Dame–de–Grâce): With respect to the new guidelines of the refugee board on gender persecution, the chairperson said when she announced these new regulations that first of all, they were not binding on the board and second, that gender persecution would not stand on its own as a ground for refugee status but must be linked to an existing ground in the law.

In these circumstances will the minister table amendments to the Immigration Act to specifically include gender persecution as a ground for refugee status? I want to tell him that if he does so this party will give him rapid approval of those amendments.

• (1455)

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, they were not there to protect the Canadian public from criminals and terrorists. However, they will be there to do something which, the hon. member is asking the government and the Liberal Party is advocating that the Government of Canada do, would unilaterally amend the Geneva Convention. That is not in the best interests of Canada and I will not follow Liberal advice.

* * *

CONSUMER AFFAIRS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

He will know that had the Minister of Finance been here today for Question Period he would have indicated that one of the prime planks in the government's current policy platform is the reduction of interest rates. Interest rates have gone down in the last few months. They have, for the bank rate and the prime rate—

Some hon. members: Hear, hear.

Mr. Milliken: I am glad to hear the applause because I know members opposite will want to ensure that interest rates go down for all Canadians. However, if the minister looks at the rates charged by the chartered banks on their principal credit cards, he will see the rate has stayed at about 17 per cent, in spite of the bank rate being at about 6 per cent. He will also notice that the other major credit card companies are charging rates of 28 per cent which have not decreased.

When will the minister take action on behalf of consumers whom he is supposed to be representing and end this usury?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the hon. member of the opposition is to be commended for his question, which is an opportunity for Canadians to become more aware of credit card interest rates and, especially, the fact that other, cheaper sources of credit are available. I think it is important to stress this point, as my department does in its regular bulletin.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I asked the question because I read the bulletin published by the minister and he has not done a thing.

However, I have another question for the minister. The government stated this morning in a press release that 9 per cent interest would be payable on unpaid income tax. My question to the minister is this: When will the government reduce interest rates for people who did not pay their income tax? The 9 per cent rate is too high, since other rates are around 6 per cent.

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I want to congratulate the hon. member on his French. I also want to thank him for saying he read the information bulletin and I hope he urges all Canadians to read it so they will of current credit card rates.

* * *

[*English*]

TRANSPORTATION

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I have a question for the Minister of Transport.

I would like to raise the issue of the leasing and vesting arrangements which take place at federal airports. The House knows the department has been looking at these present leasing arrangements and looking for some changes. Members of the business community would like to know when these changes will take place so that they can make their long–term business plans.

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I want to congratulate the member for his continued interest in this very important subject for the people in his area. The member knows we have been working at this very diligently over the past few months and we have made progress.

My understanding is that officials from my department are meeting with people in the hon. member's area later on this week. We certainly hope to have a proper vesting policy some time during this spring.

* * *

LUBICON NATION

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a question for the Minister of State for Indian Affairs and Northern Development.

The Lubicon Settlement Commission of Review has presented its final report. Among its many constructive recommendations are that the previously secret discussion paper prepared for the government by the Hon. E. Davie Fulton in 1986 be the basis for renewed negotiations, that irresolvable issues be submitted to three-party mediation, and that the Lubicon Nation itself be allowed to determine its membership, as all other bands adhering to treaties have been allowed to do.

• (1500)

Will the government now commit itself to resuming open and public good faith negotiations with the Lubicon people using the commission's recommendations as the basis for those negotiations?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I want to thank the hon. member for his important question.

We must remember that when negotiations started in 1986 federal negotiators indicated that the federal government was prepared to use the document that had been prepared as a basis for discussion. So far, the government's position has remained unchanged in this respect.

[*English*]

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I will take that as a commitment that the government will now commence open and public good faith negotiations on the basis of the Fulton document.

As I requested in a letter to the minister last Thursday, will the government at least withdraw from circulation in Germany its "official statement concerning the Lubicon claim question", a document shot through and through with inaccuracies and outright lies?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the hon. member opposite wrote to the minister on March 11 and the minister's officials are now reviewing the hon. member's allegations. Since the document was drafted in German the text is being checked, and as soon as we have an answer we will report back to him.

* * *

[*English*]

CONSUMER AFFAIRS

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

Last week the minister responded to my question on credit card disclosure legislation by saying that the government was beginning consultation with the provinces on this matter.

The government responded to a 1989 report called *Charge It* in March 1989 by saying that it would: "raise the standardized disclosure recommendation for consideration in current consultations with the credit card issuers and provincial consumer ministries".

When will federal and provincial governments end the discussion phase and act to benefit consumers?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the government's position is that a wide variety of initiatives and undertakings exists in the provinces at this time. I think it would be appropriate to wait for these initiatives to expire before we give further consideration to the hon. member's question.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): 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.

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

* * *

PETITIONS

COMMUNICATIONS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have a petition to present from Canadians who are asking that the Parliament of Canada regulate the use of foul language and violence on radio and television.

They point out that foul language need not be used to entertain in English or in French.

[*Translation*]

They also emphasized that violence, either in the form of acts of violence or inappropriate language, undermines the efforts of parents and society.

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): I have another petition here from Regina and Winnipeg about the GST on books and learning materials.

[*English*]

These petitioners deplore the fact that there is a goods and services tax on books and reading materials. They point out there has never been such a tax before. They feel it goes against one of our fundamental principles as a democratic state and that reading and literacy are cornerstones of societies such as our own.

They also accentuate the need to make sure we have a literate and numerate society in order to be competitive and increasingly productive. They ask the government to remove this tax.

• (1505)

PHARMACEUTICALS

Mr. Sergio Marchi (York West): Mr. Speaker, I have two petitions from residents of my riding of York West who are petitioning this Parliament, and particularly the government, to rescind Bill C-91, the pharmaceutical legislation that did away with the compulsory drug licensing system.

Over the weekend we in Toronto had a very impressive public debate on the future health care system of this country. One main point that repeatedly came up was the increasing price of prescription drugs. Just when the Americans are beginning to see the light and contemplate copying the old system, we in this country are doing away with compulsory drug licensing, allowing prices to increase, increasing the cost of health care, and discouraging Canadian entrepreneurs and Canadian pharmaceutical companies from doing well in Canada and across the globe.

Therefore the petitioners are hopeful the government, perhaps under a new leadership that we will soon see, will take a second look at pharmaceutical legislation that has clearly hurt the Canadian interest.

JUSTICE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have close to 800 names on two petitions from my riding. The petitions are submitted in the memory of a little girl, Dawn Shaw, who was raped and murdered in the Comox valley.

The petitioners note that the present justice system fails to protect the children of our communities who are increasingly becoming victims of sexual assault. They make a number of suggestions for parliamentarians.

They suggest that judges should not be allowed to drop sexual assault charges because of delays in bringing a case to trial and that the jail sentence for sexual assault offenders should be lengthened for any person convicted. They also suggest that the police be permitted to take DNA samples from persons suspected of sexual assault and that DNA imprints of paedophiles and sex offenders be kept on a national police database.

They propose that sex offenders should undergo monitoring by police when they are released from jail, even after parole, that paedophiles and sex offenders should be required to register with police in their communities of residence, and that the police should be required to contact schools and other agencies dealing with children regarding the whereabouts of such paedophiles and sex offenders.

The undersigned residents of Canada, in memory of Dawn Shaw, request that Parliament enact legislation to change the justice system to provide greater protection for children from sexual assault and to assure conviction of offenders.

MULTICULTURALISM

Hon. Alan Redway (Don Valley East): Mr. Speaker, I have petitions that were prepared by the British Heritage Institute of Canada and are signed by almost 1,200 people.

They acknowledge the fact that Canada has adopted a policy of official multiculturalism, allowing peoples of all racial origins and ethnic backgrounds the opportunity to retain and enjoy their native heritages. They acknowledge as well the fact that funding has been provided to allow multiple heritage actions and activities and yet there have been no such provisions for those of British origin or background to secure their heritage.

They indicate there is a strong conception among many Canadians that multicultural provisions do not apply to Canadians of British heritage. They call upon Parliament to take whatever action is necessary to ensure that the provisions of official multiculturalism apply equally to all ethnic groups regardless of origin.

VIOLENCE

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, pursuant to Standing Order 36, I have the privilege of presenting to Parliament petitions signed by many of my constituents.

The undersigned petitioners humbly pray and call upon Parliament to accept legislation designed to eliminate violence against women and children, to support women and children who report incidents of assault or abuse, to provide assistance and support for women and children reporting assault or abuse, to provide relief and support to women as mothers to protect their children, to concentrate special effort on the training of lawyers, medical and therapeutic communities, court workers, judges and police to become knowledgeable about women and child abuse, and to emphasize the need for realistic and adequate child support orders and enforcement to focus public attention on this very important and long ignored problem.

• (1510)

[*Translation*]

SERIAL KILLER GAME

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have a petition signed by many people in my riding.

[*English*]

This petition is with regard to a board game. Parents and grandparents seek a ban on the new game to be introduced in Canada called serial killer board game, first edition. The game comes with a body bag, 25 babies and four serial killer figures. Its object is to commit murder and the person with the highest body count is the winner.

The game is not in the best interests of children and in the wrong hands could become dangerous and suggestive to easily impressed young people.

The petitioners humbly pray and call upon Parliament and I support them whole-heartedly, to urge the Government of Canada to ban the sale of the serial killer game and prevent any other such game or material to be made available in Canada in order to protect innocent children.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the following questions will be answered today: Nos. 437 and 457.

[*Text*]

Question No. 437—**Mr. Althouse:**

Regarding the competitiveness conference held in Saskatoon in November 1992 (a) what was the attendance (b) of those attending how many were (i) Agriculture Canada employees (ii) provincial government employees (iii) industry representatives (iv) university

personnel (v) others (c) what would be the breakdown of the costs associated with the conference, including total travel costs for Agriculture Canada employees?

Hon. Charles Mayer (Minister of Agriculture): (*a*) Approximately 600 people attended.

(*b*) (i) 64 Agriculture Canada employees (ii) 40 provincial government employees (iii) 354 industry representatives (iv) 25 university personnel (v) Others: 32 registered and 85 non-registered.

(*c*) Including departmental planning costs, such as the coordinator's salary and research contracts, the total cost of the conference amounted to $989,000. Travel costs for Agriculture Canada employees were approximately $91,000.

Question No. 457—**Mr. Edwards:**

With regard to the supplying by Siemens Co. of airside guidance signs for Moncton airport, (*a*) were objective tests conducted concerning (i) frangibility (ii) alignment of output bundles (iii) maintenance access (iv) redundancy and are mirrors used to simulate redundancy (v) visibility (*b*) was the Siemens product subjected to two winters of on-site testing?

Hon. Jean Corbeil (Minister of Transport): (*a*) (i) Yes. Review of conformance to specified requirements was conducted and certified by a recognized independent testing laboratory.

(ii) No. Test of the alignment of output bundles is not a requirement of specification. The photometric performance of these output bundles, however, is a test requirement and this was conducted and passed by the Canadian Standards Association (CSA).

(iii) No. This aspect of design is not specifically subject to a particular test requirement of the specification. However, it was addressed during trial at the Lester B. Pearson International Airport and judged to be acceptable by the approval authority.

(iv) Yes, through the Toronto evaluation. The mirrors do not "simulate" redundancy, but are used in a manner which provides such redundancy. Siemens has adopted the mirror technique which has proven successful for European roadway sign application.

(v) Visibility of the Siemens sign was verified during the evaluation at the Lester B. Pearson International Airport. As well, since visibility relates to photometric performance, this was addressed through the CSA photometric tests mentioned above for alignment of output bundles.

(*b*) There is no requirement for any airports product to be subjected to two winters of on-site testing. The Siemens product was installed for one winter at the Lester B. Pearson International Airport. However, the process of evaluating the Siemens product, including site testing and testing by the Canadian Standards Association, extended over a period of two years.

[*English*]

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

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

The House resumed consideration of the motion of Ms. McLaughlin (p. 16964) and of the amendment of Mr. MacLaren (p. 16978).

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): This morning, the hon. member for Etobicoke North presented a motion in amendment which, upon consideration, was ruled admissible.

[*English*]

There are six minutes remaining in the question or comments period after the speech of the hon. member for Etobicoke North.

ALLOTTED DAY, S. O. 81—THE ECONOMY

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I thank my colleague for his insightful and comprehensive address with respect to the Canada-U.S. Free Trade Agreement and NAFTA and for his questions in the House today.

I want to ask three very quick questions. The first one is with respect to the amendment. Does infrastructure refer in any part to education, training and retraining programs?

The second one relates to his mention of the black hole. As I understood it he was referring to common trade rules, the lack of definition of subsidies and anti-dumping rules, and the insistence I believe by our party—and I would like some confirmation of this—of protection of our energy sources, our labour standards, and our environmental standards. Would my colleague from Etobicoke North in fact address these particular issues?

A final point is that he did make very clear the difference between our party and the governing party. Perhaps he could say a word on what the differences are between our party and the party to my left. I would appreciate that.

Mr. MacLaren: Mr. Speaker, on the question of whether infrastructure includes training and retraining, yes, indeed. Central to our policy going into government will be to emphasize the ways in which Canadians can be helped to benefit from freer trade, whether it be global or hemispheric. That includes the necessity for much more effective training and retraining programs as supported by labour and government as outlined, for example, in the recent report of the Canadian Labour Market and Productivity Centre.

Second, dealing with subsidies, the black hole that I spoke of and which the member has in mind is the absence of any agreement on trade remedy law or, to put it another way, on what is a subsidy. There is a need to fill that hole to complete what is unfinished business. The opportunity is there, presented by the American interest today in parallel accords. Why not seek a parallel accord with the United States and Mexico based on the proposed GATT wording with regard to subsidies and take that as a Canadian initiative to improve our opportunities in the world of freer trade?

• (1515)

Third, on energy, our party is committed to protecting Canada's energy interests in accordance with our international obligations. It will remain a principal concern as we review all questions surrounding freer trade on a hemispheric or on a global basis.

Finally, I thank the hon. member for his kind words and appreciate his continuing involvement in the further definition of the areas of prime interest to Canadians in the question of freer trade.

Mr. Steven W. Langdon (Essex—Windsor): I have a short question, Mr. Speaker.

Yesterday during Question Period the leader of the Liberal Party when asked about how the GST would be replaced twice mentioned the manufacturers' sales tax which existed before the GST. I wanted to ask the member who has just spoken for the Liberals if this indicated that the Liberal Party is now looking at the manufacturers' sales tax as one of the replacements for the GST?

Mr. MacLaren: Mr. Speaker, we on this side of the House regard the goods and services tax as flawed and as having been introduced at the most inauspicious time imaginable, exactly when the Conservative government did so.

With regard to alternatives, it is the commitment of our leader and our party to review the issue in a parliamentary committee when we form the government and give to that committee a mandate to review all aspects of taxation questions and to report back to the House within a year.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, let me start, if I could, by giving the House and the people of the country some sense of just how seriously we see the decline this economy has experienced in the past period of years.

Frankly, we see a devastating reduction in economic opportunity and, most important, the elimination of hundreds of thousands of jobs in manufacturing, but not just in manufacturing. There has been a record number of bankruptcies across the services sector. There are serious problems in the farm sector of this economy, and the resources sector has run into considerable difficulty.

It is quite clear that under this government's leadership we do not see prosperity developing or movement toward full employment, which are so crucial for Canadians across this land.

We have tried to put forward a counter-position to the government's approach. Each time we say to the government that it must do something different it says: This is it, this is the only direction we can take; we have to stay the course, we have to keep to this path because it is the right approach. It has kept saying that as unemployment has mounted, as the numbers on the welfare rolls have

mounted, and as the misery of many Canadians has become worse and worse.

• (1520)

We do not believe that just staying the course is a proper response to one of the worst recessions that we have seen in this country. We do not believe that it is a proper response to one of the weakest recoveries we have seen in this country, a recovery which has been called a jobless recovery. It is such a contradiction in terms that there should be a jobless recovery. For us the only recovery which makes sense is a recovery that puts people back to work and lets families again feel a sense of hope about their future.

What is the different approach that we would take? It is based on three crucial points. First, we believe that it is time to stop following the Reagan–Thatcher–Mulroney approach of trickle–down economics, which says we should give huge new tax breaks to those at the top of our income structure and load new taxes, like the goods and services tax, on those in the middle and then somehow expect that new growth and new prosperity will result for everyone.

This trickle–down approach has not worked in the United States, where it has vastly increased the differential between rich and poor in that country. It has not worked in Britain, where the British economy has found itself limping badly in comparison to its European partners. It has certainly not worked here in this country, where a trickle–down approach has simply meant an increase in poverty, an increase in joblessness, and an increase in the welfare rolls across this country.

We think it is important to instead have a trickle–up approach which gives the tax benefits to that 80 per cent of the population that has been hit so hard by this government and so badly deserves some tax breaks for the future.

We want to have those at the top of the income system pay not an exorbitant share but their fair share of what is required as revenues in this society.

Let us stop giving the benefits to those at the top and give benefits to the vast majority in our economy through the tax system and then let those benefits trickle up and give us prosperity that way.

Second, it is time to stop tying ourselves so closely to the United States and hoping that foreign investment from the United States will solve our economic problems in Canada, hoping that we can attract new capital and new entrepreneurs to come in from the United States and give us a set of new jobs for our people and new opportunities. If we have learned anything from the free trade deal, from this experience of relying on the United States, it is that we cannot depend on what happens to the south of us to give us a future in Canada.

We need to try out our own freedom as an advanced, high–technology economy able to use measures such as Canadian content laws, which we are stopped from using under the free trade deal, to build new jobs in this country and establish trade ties with the entire world, not just to increase our ties with the United States.

• (1525)

Finally, third, it is time to stop attacking the unemployed as the Conservatives have done with their changes to the unemployment insurance system and as the Liberals did in the last recession when they attacked the unemployed in exactly the same way. It is time to say that the problem in a recession does not lie with the unemployed. The problem is unemployment, the joblessness that has been created as part of these recessionary conditions.

We need a jobs first strategy. That is why we have brought before the country and we bring before this House this strategy for a full employment economy, a jobs plan for Canada from the national New Democratic Party. It is a plan that would show us how to stop this trickle–down approach and how to free ourselves from the United States trade deal and improve our world trade ties. It shows us how we can create half a million additional jobs over the next five years for a total of between one and a half and two million jobs to be created in this country. That is an extra half million over what the different projections suggest we might achieve with the present approach.

This is not a plan that would achieve Utopia in a first parliamentary term. It is a plan that would give us a significant reduction in our unemployment rate to about 7 per cent. That is not good enough but it is much better than the 9 per cent to 10 per cent unemployment rate projected by all the economic forecasters if we continue to follow the present plan this government is following.

At the heart of this plan is a commitment to the step-by-step elimination of the goods and services tax. In our first budget we would remove the GST from four or five key areas that have important job benefits for the country. In our second budget we would reduce the GST from 7 per cent to 5 per cent. In our third and fourth budgets we would reduce it to first 4 per cent and then to 3 per cent. In our final budget, under this plan, we would eliminate that final 3 per cent of GST.

We would do so because we think it is a bad tax. It is a tax that hurts small business. It is a tax that kills jobs. It is a tax that damages the drive to improve our economy. It is a tax that hurts consumption. It is a tax that hurts our border communities.

Taking this step-by-step approach would permit a big job push at the start of our plan, partly through job gains from eliminating the GST step by step and partly through initiatives that would come from cutting existing expenditures, especially in the area of defence.

It is also important to recognize that moving forward with the elimination of the goods and services tax would stop our cost of living from rising as quickly as it otherwise would.

• (1530)

This would mean a lower rate of interest and that means lower expenditures on the interest payments that we have to make on our national debt.

About 25 per cent of our replacement for the goods and services tax would come from extra employment. Another 25 per cent would come from cutting expenditures. The final 50 per cent, to get rid of the GST, would come from making our tax system fair through three steps.

First, we must see to it that four existing and damaging loopholes in our tax system that help the large-scale corporations and benefit the wealthy in this country are plugged. We would change the present system that allows corporations to deduct interest payments so that they can then take the loans that they are taking out and invest them in foreign countries. We would plug the possibility that exists for corporations to deduct their entertainment under the present tax system. We would change the capital gains tax system so that the unfair benefits for the wealthy no longer exist. We would see to it that there are steps taken so that the family trusts set up over many years under the Liberals and under the Conservatives start to have to pay the capital gains taxes they owe. That is one set of changes to make the tax system fairer.

A second set of changes would be to put into effect a wealth transfer tax. This is something they have in the United States. This requires that when people receive inheritances from estates of over, let us say, $500,000, or $1 million as it is in the United States, they pay normal tax on the income which they get from those inheritances. Again, this is something that is perfectly straightforward and fair and something the U.S. has had in effect.

Finally, we see it as crucial the benefits that have been established by both Liberals and Conservatives in the income tax system should change. These are benefits that give tremendous handouts to those at the very top of our income structure. People whose individual income is over $100,000 per year would pay income tax on that last amount over $100,000 at a rate of 35 per cent federally instead of the present rate of 29 per cent. Those whose individual income is over $135,000 would pay at the rate of 40 per cent instead of the present 29 per cent.

These changes would make it possible to completely replace the GST, to establish an extra 500,000 jobs and to reduce the level of deficit over the next parliamentary term by $11 billion.

It is not just New Democrats who claim this. We have had this plan tested and tested carefully by an independent organization that even Conservative spokespeople have said do a good job in making these kinds of assessments. Informetrica has said that this will work and will achieve the goals that I have been talking about. By achieving these goals we will put this economy back on the road to recovery.

• (1535)

We will do it as my leader has suggested today by recognizing that there is a human deficit and not just a fiscal deficit in this country. To attack that fiscal deficit we must attack the human deficit too. We must do so by getting people back to work. We must do so by making

our tax system fair. We must do so by being honest and up front about exactly what we would do in government.

This disappoints me the most about my friends in the Liberal Party in opposition. I would have hoped that they would have been challenged by the issuing of our plan last month to issue something that says what they will do about the GST, free trade and the NAFTA.

However, this is not so. On the GST we just heard the spokesperson for the Liberal Party say that the Liberals will set up a committee after they are elected to sort things out and come back with an answer after a year. There you have it, ladies and gentlemen across the country. Vote for the Liberal Party and you might know what you get after a year.

The same spokesperson has said that they want to renegotiate the NAFTA and the free trade agreement but they do not say what they will do if they do not succeed in everything they want in their renegotiation. They do not say: "We need this or else we would scrap it. We do not need that in order to stay in". They simply say: "Trust us just as in the past". They want you to trust them as in 1974 when the Liberal Party ran a magnificent election campaign and said to the people of this country that it was a terrible idea to freeze wages: "It is a terrible idea to have a wage freeze. It is terribly unfair so we will not do it. We are against it". Then, when they were elected, they put that very wage freeze into effect a short eight months later.

I say to the people of this country that they should not trust the Liberals again. Do not give us nine more years of Conservative rule. Adopt the jobs plan of the New Democrats and we can put people back to work and make this country work once more.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I listened with great attention to my hon. friend, the member for Essex—Windsor. While I do not always agree with everything he says I must give him credit, as my leader and our Prime Minister has said, because at least his party has clear and unequivocal policies.

I know there are individual members of the Liberal Party, like the member for Broadview—Greenwood, who have put forward many policies, as has the member for Etobicoke North. In fact, I have never understood why the member for Etobicoke North sits on that side of the House since he supports the policies of this government.

In any event I want to address two questions to my hon. friend because I find myself somewhat confused with some of the things that he and his colleagues have been saying. In particular I want to ask him about this oft-repeated proposal that they have to not allow businesses to deduct as tax expense items hospitality and lunches and so on. This is notwithstanding the fact that I have noticed that when various organizations around the country have come to Ottawa and put on receptions the New Democratic Party members are glad to avail themselves of those receptions.

Here is my specific question with respect to that. Can my hon. friend tell me what studies his party has done that will show the impact of such a proposal on the hospitality industry in Canada and could he table these in this House? How many restaurants in our cities will go out of business, for example? How many hotels will go out of business? Clearly a major part of the business done by restaurants and hotels in the hospitality industry in this country is business related. I know my hon. friend would not suggest that such a proposal, if implemented, would not have an absolutely devastating effect on the hospitality industry in this country.

• (1540)

I would ask him to advise us about the studies they have done. I would ask and invite him to table those studies in this House.

Mr. Langdon: Mr. Speaker, with respect to the various receptions that take place here, I think that those reception are paid for out of money they have raised. Various organizations such as the Federation of Canadian Municipalities that raise money and put on receptions do not get a subsidy from the taxpayer. There is no subsidy that the Federation of Canadian Municipalities gets from the taxpayer. There is no subsidy that the trade unions get for any reception they put on. There is no subsidy for the Canadian Federation of Agriculture if it puts on a reception.

However, when the Canadian Petroleum Association comes here and puts on a reception it is able to deduct money that is spent by individual firms that help sponsor it from what is paid in taxes. One always notices on the

program that there are certain individual firms that helps sponsor the reception.

I do not think people realize what this means. It means that instead of paying a full level of corporation tax on their profits the money is taken and spent on this reception. It comes right off the amount that would have been paid as taxes to the people of Canada. This means that each and every one of us as taxpayers across this country is subsidizing Imperial Oil, Shell Canada, or the Bank of Nova Scotia, the Royal Bank, or some of the biggest, richest companies in this country, to wine and dine members of Parliament. With all due respect, I think these companies are sufficiently rich that they ought to be able to pay the amounts involved.

The member has suggested that surely there will be damage done to the tourist and hospitality industry. I want to tell the member who raised this question that it has become virtually impossible for me to go out and visit a restaurant in my constituency in the Windsor area because restaurant after restaurant has just been hammered by the goods and services tax. If you ask any of those restaurants if they would prefer to have the hospitality deduction kept or if they would prefer to have the GST eliminated, there is no question that their answer would be to get rid of the goods and services tax.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, the 300 restaurants in my riding will appreciate hearing that the NDP is doubting the legitimacy of a true business expense in their restaurants. To me it is just beyond comprehension. However, I do not want to focus on that. I have a lot of respect for the finance critic of the New Democratic Party.

• (1545)

In the centre of my riding on a side street is Hampton Variety. This variety store is operated by a young entrepreneur whose name is Terry McAdorey. The basis for his work is the community, not competition. He bakes his own muffins and bread. He makes his own soups and stews. He buys his cheeses from small family farms. He is the spirit of neighbourly love in the community. He employs and encourages young people. He represents a contrast to the existence one experiences when working for a transnational corporation.

It seems to me that we need to revisit and review the contribution of community-based work as a contrast to the type of work that is imposed upon us because of these exercises in the free trade agreement and NAFTA. Could the New Democratic member give his party's position on that community-based work and its importance to the economy?

Mr. Langdon: Mr. Speaker, I appreciate the question. I am not sure whether I have told my friend this before but I started in politics by canvassing in Broadview in the first election of the New Democrats back in 1965. I know his constituency well.

He mentioned the many small restaurants and I ate in a lot of them when I was part of that community. I know those restaurants would be much more concerned with the elimination of the goods and services tax and the benefits that would bring to them than with the potential benefits business deductions bring.

After all, we already treat deductions for business luncheons differently. We only permit the deduction of 80 per cent of them. That shows there is something we are a little suspicious of with respect to them to begin with.

The second point he raised is an excellent one. Part of our effort with this plan and with a number of the approaches to changing the economy we have tried to put forward over the last four or five years have been to say that we have to start looking at economic development from the bottom up instead of the top down.

Now that includes establishing things like a national investment fund which my leader talked about this morning. This would be of particular benefit to small business. It gives small business people the potential for access to capital which they so rarely have at the moment without having to mortgage houses or, it almost seems sometimes, having to mortgage their families.

That is important but we also see as part of our jobs plan a crucial emphasis on community development. We see the establishment of community development organizations and support for community development groups. We see support for co-operatives and credit unions based in the community as all part of that same effort to build from the ground up. This is instead of assuming everything will flow from some great new enterprise that is attracted in from the outside. Yes, that

does give us some jobs but it does not give us enough jobs for the future.

• (1550)

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I welcome the opportunity to participate in this debate. I am glad the New Democratic Party has put the broad spectre of economic issues before the House and the nation today because I think these are things that are very much on the minds of Canadians. These are issues that should be debated seriously and frequently in this House.

The particular motion the New Democratic Party has put forward causes me some concern. It seems to me it is in conflict with itself. When one talks about an economic recovery program that must endorse a strategy for full employment which entails abrogating the Canada–U.S. Free Trade Agreement and not implementing the North American free trade agreement, it seems to me that those concepts are very directly in conflict with themselves. They do not seem to make any sense at all. I do not know how the New Democratic Party proposes that our economy and the standard of living of Canadians should grow if we are going to turn our backs on the opportunities to sell the products that are the absolute basis of that growth.

I listened earlier today when the leader of the New Democratic Party spoke. She talked about not being dependent on the North American market. She talked about reaching out to other markets in other parts of the world.

With the greatest respect, that is precisely what Canadian business people are doing. They are doing it already and they do not need the government to suggest to them that they should do that. They know perfectly well where their market opportunities are. They want the government to create the climate and the opportunity in which trade growth can take place. Through trade we have an opportunity to see economic development in this country. This country is a trading nation, first and foremost.

A couple of realities have been ignored by my hon. friends in the New Democratic Party in the position they have taken with respect to the free trade agreement and the NAFTA. I would love to have an opportunity to discuss a number of the issues that are included within the resolutions they have put forward. Time will not permit it so I am going to focus on these trade issues.

First, I think the New Democratic Party has to realize that the Canadian market is not big enough to sustain the standard of living that Canadians expect. It is as simple as that. We export a quarter of what we produce in this country. We must have access to markets abroad.

We have only one alternative if we are going to build big walls around Canada and turn down the opportunity to trade abroad. Realistically, we are not going to trade abroad unless we wake up to the reality of global competitiveness. Then we have only to sell internally in Canada.

If we are ever going to achieve full employment, which the New Democratic Party says is its goal and aspiration, then the only way we are going to do that is to have the government put everybody on the payroll.

That would not work either. The Liberal Party tried that for 15 years and we know what the outcome was. You just spend yourself into a cycle of debt and nine years later we are still trying to dig ourselves out. I have a feeling there will not be too many of us left in this House by the time we do get around to digging ourselves out of that cycle of debt which was imposed on us by 15 years of irresponsible spending by the previous government.

The second reality the New Democratic Party is ignoring is what is happening in the world today. There is a change in trading patterns going on around the world. It is not just in this country or just on this continent, but indeed all over the world. Global trading blocs are developing. The nations of the world are negotiating new sets of trading rules. This will facilitate as well as liberalize trade around the world.

The name of the game, whether the New Democrats and the Canadian Labour of Congress—and I realize they are relatively indistinguishable—recognize it or not, is that the world is going to go on with or without us. What is in the interests of Canadians is that we be there and we be there to benefit in what is happening.

The New Democrats do not have to take it from me, this business about competitiveness. They think barriers can be erected around this country and high wage levels can be protected forever but it will not work. You have to be able to sell your products. You cannot sell your products, quite simply, unless you can offer competitive prices. That is the name of the game from now on

whether we like it or not. Anyone who doubts that does not have to take it from me.

• (1555)

Just look at the phenomenon of cross-border shopping that has gone on. We tell people to buy Canadian. What have Canadians done? They say: "I will buy where I get the best deal". If that is in Buffalo, Seattle or Bangor, that is where they are going to shop.

The only way we are going to be competitive within our own market is the same basis on which we are going to be competitive abroad. That is the fundamental weakness. Building walls simply will not work because our market is not big enough to sustain the economy we wish to live by.

When the New Democratic Party leader suggests, as she did earlier today, that we should look to other markets I cannot help but reflect on what I hear her trade critic saying time and time again when he talks about low-wage Mexicans taking away the jobs of Canadians. This is the great fear of the NAFTA we are told. In 1988 we were told by both opposition parties that the entire Canadian economy would grind to a halt because of the free trade agreement. That was because people in Alabama were ready to work for lower wages than people in Canada. That has not been the case. We have been through a recession. It has been tough. It has been tough not just in Canada but all around the world.

The truth of the matter is if low-wage Mexicans were going to be putting us all out of work why is the leader of the New Democratic Party talking about seeking out new markets in Asia, Africa and all these other places? Does she think with respect to the Philippines, Thailand, India or Senegal that there is any difference between low wage rates in those countries and Mexico? Of course not. We are able to compete with the best of them.

Look at our trade with Japan, one of our biggest trading partners. Wage rates are higher in Japan than they are here. Europe is a major trading partner. Wage rates in Europe are as high or higher than they are here.

What constitutes ability to compete in the marketplace is not simply wage rates but competitiveness. That is what it is all about. That is a concept that the New Democratic Party does not seem to fully and adequately understand.

We do have to seek access to new markets. Europe is creating its bloc of 12 countries and that is possibly going to grow. Eastern Europe has IFTA. There are the trade developments in southeast Asia. What better opportunity is there for Canadians than to be part of the largest trading market in the world, which is that created by the North American free trade agreement? It is an opportunity and it has worked. The concept has worked in the past.

I would simply cite the example of the auto pact which was created in 1965. I might say it was roundly and thoroughly opposed by the New Democratic Party of the day and by the Canadian Labour Congress and the United Auto Workers, as they were then, now the CAW. All were opponents of the auto pact when it was brought in. They do not feel that way now. It is a sacrosanct thing as far as Canadian auto workers are concerned.

I suppose if we come back here 20 to 25 years from now we will hear the NDP standing up and taking the credit for the North American free trade agreement. Its members will be saying it was all their idea in the first place. That is what we are going to see.

This business of losing jobs to Mexicans is something we hear time and time again. It is time that my friends in the New Democratic Party realized that what really counts is the unit cost of production. That is what is significant. Labour is a component of that. It is true that on average, labour costs are 7.5 times lower in Mexico than they are in Canada. However, what is the other side of the equation? The other side of the equation is productivity. Productivity is 6.5 times higher in Canada than it is in Mexico.

In addition to that, the cost of capital is lower in Canada. A business cannot be run without money. Money is more accessible here. Capital productivity is higher. We get more out of our technology and our equipment here than they do in Mexico. Add it all up. The result very simply is that Canadian workers and Canadian companies can compete with the best the Mexicans have to offer.

Therefore, NAFTA gives us the opportunity to access a market of 85 million people that is largely closed to us today.

• (1600)

If the Mexicans were going to put us all out of business then we would be out of business now. Most of the goods that come to Canada from Mexico come in tariff free now, so why have the Mexicans not supplanted us already? On the other hand, virtually everything that we wish to sell in Mexico is either completely blocked through import licensing restrictions or must come through a 20 per cent tariff.

The facts, and I know sometimes my hon. friends opposite do not like to have facts injected into discussions, sustain the argument that the North American free trade agreement in this context is very good.

I want to talk for a minute about trade in general. I want to talk a little bit about my own part of Canada, Nova Scotia and more particularly the south shore. Trade has been the lifeblood of Canada but also of the maritimes. If we go back in the history of this country and of my region there was a time before Confederation when little old Nova Scotia, my province, had the fourth largest volume of shipping of any nation in the world. I know you knew that, Mr. Speaker, but I do not know if my hon. friends opposite knew that. Confederation came along and with it came tariff walls that disrupted the natural flow of trade between the Atlantic provinces, the maritime provinces, and the United States. Our economy has never really recovered from that blow.

Now we see the opportunity, and the Canada–U.S. Free Trade Agreement has given us the opportunity, to re-establish those lines and the flow of trade that comes from them.

Look for example at my own constituency of South Shore where because of the kind of scaremongering by a lot of people there are many people in my area concerned about what the impact of free trade has really been and what the impact of the NAFTA will be.

Over 8,000 people in my constituency make their living from the fishery. My constituency has the highest volume of fish landings by value of any constituency in the country and that includes the ones in Newfoundland, and I see the Minister of Fisheries and Oceans here. I want to tell him that my constituency has the biggest volume in value of landings of any constituency in the country and one-third of those landings goes to the United States. Access to that American market is critically important.

We have a paper mill. The Bowater Mersey paper mill employs over 800 people in South Shore and 60 per cent of the product of that plant goes to the United States. Sixty per cent of those 800 jobs are dependent on trade to the United States.

We have a Michelin Tires plant. I am told it is the most productive Michelin Tires plant in the world, in the entire Michelin system. We are very proud of that plant and we are even more proud of the workers in that plant, who are the best in the world according to Michelin. There are 1,400 jobs there and last week they celebrated the production of their 50 millionth tire. That is a tremendous thing. It has been wonderful for Nova Scotia. Two-thirds of that production goes to the United States.

You have heard me in this House before, Mr. Speaker, talk about Christmas trees. We export 1.5 million Christmas trees a year from South Shore. There are some 500 people in South Shore who make their living from Christmas tree production, and 90 per cent of our Christmas trees go to the United States.

Then there is the tourist industry. There are a couple of thousand people employed in the hospitality industry and in the tourist industry. The American tourists that come up, particularly in the summer and fall, and the cruise ships that come up from the United States, create work for Nova Scotians. If we add it all up the conclusion that we come to is that trading links and the access to the United States and now to Mexico, which is the most important part of these agreements, are critically important to the economic development of our industry.

We do not have an historic trading relationship with the Mexicans but now that the NAFTA has come about and now that it has been signed we are finding increasing interest. All of a sudden we are discovering that there are new market opportunities for our processed fish. We are finding that there might even be opportunities for Canadian fishermen and fish companies to go down and assist the Mexicans in the harvesting of their own fish resources because to date the Mexicans have not had the technology and vessels to harvest their own fish resources. One of the solutions to our own fishing prob-

lems is to find fishing opportunities for our fleet and for our companies in assisting the Mexicans in developing their own area. Obviously we have a great new opportunity in terms of Christmas trees. The Mexicans celebrate Christmas and they have not been bringing in Christmas trees from Atlantic Canada.

• (1605)

I want to give the Mexicans due notice here today that we are going to be down there selling them some of the finest Christmas trees in the world because the finest Christmas trees in the world come from the south shore of Nova Scotia, as everybody in this House has come to know in recent times.

Then there are investment opportunities that flow from the access that we get under the FTA and indeed will get under the NAFTA. Companies that say they are interested in settling their plant and living in Canada, in particular in this case in Atlantic Canada where there is an excellent work force and the opportunity for a wonderful quality of life, are still going to have the opportunity to sell to that market of more than 350 million people in the United States and Mexico. The investment opportunities that are created by the NAFTA, on top of the success of the FTA, are really quite encouraging.

My friends opposite sometimes entertain themselves by debunking the free trade agreement. We all know that we are not really going to know for another 10 to 15 years exactly how profoundly the free trade agreement has impacted this country, though it is very obvious that the initial signs show that it has been very positive. We have been through a difficult recession in this country and yet we have seen the benefits of the free trade agreement already starting to show in a serious way.

I would refer my hon. friends, who may not take as gospel everything I say though I cannot understand why, to the independent study done by the C.D. Howe Institute and released not so long ago. It shows that since the FTA Canada's trade balance with the United States has improved more than its trade balance with other regions.

The FTA has led to more trade between Canada and the United States. It also shows that in those sectors liberalized by the FTA exports have increased most, in particular those in non-resource-based manufacturing.

Merchandise exports to the United States have increased to record levels since the FTA, from $102.6 billion in 1988 to $122.3 billion in 1992. That is a 19.2 per cent increase. Exports in 1992 increased 13.6 per cent over 1991.

In other words, as a result of the free trade agreement we are seeing more business being done. Our exports to the United States are growing steadily under the FTA, notwithstanding the fact that we have been through a recession which would, generally speaking, have a negative impact on the economy. The same can be said with respect to our merchandise trade surplus with the U.S., which has grown by 27.3 per cent since a year ago.

I have so many more things I would like to say on this subject and I know my hon. friends would like to hear them but I will just make one last point about the FTA and its impact and the anticipated impact of the NAFTA, and that is encouraging foreign direct investment. That means other people investing money in Canada. Investing money in Canada means creating jobs for Canadians. That is a good thing.

We have seen a significant growth in investment. The Canadian Manufacturers' Association survey of some 325 companies conducted early in 1992 found that nearly half the companies said they increased capital investments in Canada after the FTA was implemented. Only 9 per cent reduced their investment. Investment means jobs.

I could quote from various authorities on the success this agreement has had and the wonderful things that it has done for us, but let me say simply that what NAFTA does is provide us an opportunity to go beyond the FTA. There were some problems with the FTA and they have been sorted out in these negotiations. Canada got the things it was concerned about.

The key points about the NAFTA are: the auto pact remains the same; agriculture is the same except barriers will be removed against Canadian opportunities for export of grains, oilseeds, pork, fish, potatoes and processed foods; our supply management system is not

touched at all; health and social services are fully protected; and the Canadian government policy prohibiting large-scale export of water is unaffected.

• (1610)

I see you are giving me the sign, Mr. Speaker, so I will stop for now and say that I look forward to hearing from my hon. friends opposite.

Mr. Sergio Marchi (York West): Mr. Speaker, the government member who just spoke talked about "creating jobs for Canadians" and also said that: "The free trade agreement did create some problems".

The government member knows better than anyone else that over-all the free trade agreement entered into by his party and the Government of Canada on balance clearly created fewer jobs than the member spoke of. Plants have closed in this country, not all as a result of the free trade agreement but clearly on balance there has been disruption and dislocation and there have been fewer jobs created.

Then he has the gumption to say now that we are entering the NAFTA, based on their track record with the free trade agreement, we should basically trust them.

Obviously if we take 10 Canadians the vast majority of those 10 Canadians will not trust this government, not only for these reasons but for others, and will certainly not trust this government on the NAFTA given its track record on the free trade agreement.

Can the hon. member explain the rationale for why this party wishes to rush enabling legislation on the NAFTA through this Chamber at the same time that our American counterparts, President Clinton and his trade representative Mickey Kantor, have made it abundantly clear in the last number of days that they have no intention of proceeding with the NAFTA until the other side agreements are concluded?

My question is very simple: If the Americans can look after number one, namely defending their own workers, their own industry, and their questions about the environment, why are we, from a negotiating standpoint, heading right into this situation rather than standing back for a second and looking at the deal to determine where we can make it better and tighten up those areas on behalf of Canadian workers?

Canadian workers and Canadian industry want to know that we have a government that is defending their interests and aspirations. They are obviously puzzled when we are entering into legislation and the American partner, the third in the deal, is still very far from that point.

Mr. McCreath: Mr. Speaker, of course I would be delighted to answer my hon. friend's question but I wish to clarify some confusion that obviously exists in his mind with respect to the job situation.

It is obviously going to take time to totally sort it out. I know that in the last couple of years, as I think somebody in the opposition said, every sparrow that has fallen has been blamed on the free trade agreement. The fact of the matter is, now that we have figures in for 1992, my hon. friend should be aware that we have had a net increase of 118,000 jobs in Canada for 1991-92.

If he examines what is going on he will see that our recovery is being driven by exports, primarily by exports to the United States. If that is not the testimony my hon. friend needs I do not know what I can present him with.

Second, he raises questions about the environment, the parallel accords, and the process of ratification. By the way, Canadians know where this government stands on the NAFTA and they know where the New Democratic Party stands on the NAFTA but they are not too sure where the Liberal Party stands on the NAFTA.

The reason this government is bringing forward this enabling legislation, which is an act to support this agreement, is that we believe it is good for Canada. Interestingly, so does Canadian business. The people who create jobs in this country believe it will be good for Canada, and it will be good for Canada.

My hon. friend's third question made reference to parallel discussions with respect to the environment and labour. I want to assure my hon. friend that the government thinks it is a marvellous idea to proceed with further negotiations with respect to the environment and labour issues.

• (1615)

A year ago, in March 1992, we proposed to our two partners in this agreement that we should do a parallel agreement with respect to the environment. The American government of the day was not interested. Now we,

have a government in the United States that is interested and of course Canada fully supports it.

As the American president himself has made abundantly clear, the NAFTA will not be reopened for negotiation. That agreement was negotiated over many months by the three parties and will not be reopened. Hopefully we will reach an accord with respect to the environment. Even so, I want my hon. friends to be aware of the fact that never in the history of the world has there been a trade agreement concluded with as many provisions on the environment as the NAFTA.

In conclusion, I want them to be aware of the fact that the NAFTA contains a strong commitment to the concept of sustainable development and environmental protection. I want them to bear in mind that what is most important to Canadians is the protection of our own environment. Nothing in the NAFTA precludes our ability to establish our own environmental standards.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I have a question for the member for South Shore. What we have experienced in this member's speech today is the typical Conservative lean, mean machine approach in the name of global competitiveness.

I realize that in every trade deal there are winners and there are losers. The problem we have today is that a lot of people are losing. A lot of people are unemployed, almost a couple of million.

I was reading an article on the weekend written by Joe Mancini who was talking about competitive global mass production, more threat than promise. He made an interesting statement. He said: "Communities and families are dissolving as work takes on an increasing importance and puts greater demands on people's time. This trend in work results in spouses not having time to experience their children. People do not have time to build community outside work. The result is increasing isolation. Growth as recorded by Statistics Canada is no guarantee of economic development. Unfortunately politics is such that illusions of growth are more important than real innovation. Individuals and families can disentangle from these illusions by creating real growth through innovation in the household using traditional skills".

Does the member not realize that this singular focus on ratcheting inflation to a point where it is a point and a quarter and putting such intensity on global competitiveness influence our whole fabric, our whole notion of community and family, and that this transnational thrust basically controls the agenda of this country to the exclusion of human dignity?

Mr. McCreath: Mr. Speaker, I tried with care to listen to my hon. friend's question, although I must say he confused me a bit with his logic.

I noticed that he mentioned, for example, a couple of million unemployed in this country. I think he would admit that was a rather gross exaggeration. If an individual is unemployed, that is one too many. I am sure that is the way this government and all members of the House feel.

He talked about ratcheting down inflation as if it were a terrible thing. I am not sure I understand where he is coming from. What is inflation all about? Inflation is a killer. Inflation is the thing that says to people on fixed incomes like our seniors that next year they are not going to be able to pay for what they have.

By getting inflation under control and having price stability we provide the best basis for people to be able to plan their lives and to live in some comfort and with some harmony. I do not understand why my friend would take issue with that approach.

I think his question was also about the issue of globalization and whether or not Canada should respond to what is happening in the world. I do not understand where he is coming from. It seems to me we have Canadians telling us by their actions that we have to smarten up and sort out what is happening in the world.

• (1620)

When Canadians prefer to shop in other countries they are telling us that we are not competitive, even in our own markets. When we have Canadians saying they want to see growth and job opportunities we know we have to go beyond our own market as we have in the past. We have to be able to export.

Other countries of the world are catching up in terms of productivity and technology whether or not my hon. friend wants to acknowledge it. The bottom line is that the responsibility of the government is to Canadians. It must prepare the Canadian economy so we are in the best position, for the benefit of Canadians, to have

economic growth and development, price stability and good employment opportunities in the years ahead.

[*Translation*]

Mr. Jim Peterson (Willowdale): Mr. Speaker, at this point, our party would like to divide the following half hour into speeches of ten minutes each.

[*English*]

The issue before us because of this NDP resolution is in part the abrogation of the free trade agreement and the non-signing of the NAFTA. My friend from South Shore has lauded the positive benefits he says we have seen from free trade, but it is impossible to separate actual results under free trade from what occurred in the economy as a whole. Let us be intellectually honest.

If we look at the record over the past four years since free trade came in we find our unemployment is now at 10.8 per cent. In the United States it is at 7 per cent. Our manufacturing job losses in those four years now stand at 16 per cent. In the United States it has only been 6 per cent. Why have we been devastated so much more than the United States during that period of time?

We can look at an even more alarming statistic. Our ability to compete has been declining. We are now growing at about half the rate of that of our major competitors in the G-7. This is alarming in terms of our future ability to create the wealth we need in this country to sustain the high level of humane social programs which are a hallmark of the Canadian way of life.

Perhaps even more alarming when we look at the Tory record is that in 1984 Canada had a high-tech trade surplus of $1 billion. Today that high-tech trade surplus has become a deficit of $30 billion. Even though trade may have picked up a bit with the United States in recent years, we are losing in spades when it comes to the high-tech, value-added industries which will create the high paying jobs of the future we need if we are to compete with low $1.50 an hour Mexican labour.

What are the lessons we can take from our four years under free trade? My conclusion is that trade is not the real issue. Trade agreements such as the free trade agreement and the NAFTA are not the overriding economic issue we face. Even if we got rid of free trade we would still find ourselves having to compete as a trading nation. As one whose GDP is 30 per cent more than even Japan's we are dependent on foreign trade. We still need ways in which to compete.

• (1625)

Perhaps we can learn from our four years under free trade. I would like to focus on seven lessons that we should have learned.

First, Canada can no longer depend on its abundant natural resources and the effortless economic superiority those have given us to sustain our high standard of living. We need the value-added, high-wage jobs.

Second, if we are going to enter into another free trade agreement surely we have learned that we need detailed impact assessments so that we can predict where the job losses are going to occur, as they inevitably will. We need adjustment programs to make sure that those workers who are affected adversely have jobs and are not doomed to perpetual unemployment.

The NDP would have us abolish these trade agreements or not enter into them. However, in its resolution, has it called for the adjustment programs that we need? Of course, it has not. It has totally overlooked it. Has it, in asking us to totally abolish these trade agreements, given us an impact analysis of how many job losses would occur because our access to foreign markets could be diminished? It has not taken that responsible step of forewarning us as to the consequences of its policy.

The third lesson I hope we have learned is that even though we have a free trade agreement, this does not guarantee secure access to the foreign market. We have learned that tariffs were not the real barrier. Issues such as anti-dumping, countervail and government procurement have been far greater barriers to Canadian access to the U.S. market.

The fourth lesson is that the unparalleled level of trade harassment by the Americans against Canadian producers is not ended. We are not going to have the so-called benefits that the member for South Shore talked about. These are the benefits of investment. No firm is going to invest in Canada be it a Canadian or a foreign firm. They will just not put their new money here to service the North American market if this unmitigated trade harassment can continue. Our producers can have the threat of being shut out of the American market through spurious actions such as we have seen with

respect to Honda, softwood, pork and now steel in a major way.

Has the government given us any hope that under the NAFTA it has found a way to end that trade harassment? As a matter of fact, no, it will not even talk about bringing in a subsidies code to deal with countervailing let alone some new measures and common laws to deal with the question of anti-dumping.

The fifth lesson I hope we have learned is that when we have a free trade agreement there is going to be an international rationalization of investment. We know this is inevitable. The problem is that this rationalization of industry has been mainly outside Canada. More than 50 per cent of our manufacturing sector is controlled by foreigners, mainly Americans. When there is a slight recession or an opportunity to consolidate plants, one is not going to consolidate the American operation and head office into the Canadian branch plant. The opposite occurs. This is going to be a structural problem that not only this government, but succeeding governments, are going to have to come to grips with.

Sixth, I hope we have learned that trade policy does not take place in an economic vacuum. It is one portion of our economic agenda but a very small one when looked at on the whole. For example, this government's high interest rate, high dollar and high tax policies over the past four years have done more to create barriers to Canadian producers than the removal of all the tariffs that have taken place under the free trade agreement. When the dollar goes up 27 per cent from a low to a high of 90 cents, that jump is a far greater barrier than any of the trade tariffs that were abolished.

• (1630)

Finally, the seventh lesson is for us to recognize that trade policy is only one aspect of an industrial policy. What we need is a comprehensive industrial policy that will deal with our ability to compete. We need to integrate fiscal and monetary policies so they work for Canadian producers. We need to get rid of the high levels of illiteracy and innumeracy that make our workers unfit for the plant. We must deal with the 38 per cent drop-out rate in high schools. We must deal with our declining level of research and development that is less than half that of our competitors and is falling. We must deal with the Mexican challenge. Mexico now produces four times the number of scientists and engineers that Canada does.

If we are going to compete, then these are the real issues and this is why we need a comprehensive industrial policy. This is why trade is not the real issue. This is why the NDP has so far missed the mark in this resolution. There is no way that any intellectually honest or right-thinking person could ever support it.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I heard my hon. colleague, whom I respect a great deal under normal circumstances, suggest that what is lacking in the New Democratic Party resolution is a complete industrial policy.

I do not know whether this was noticed but one of the things that is being mentioned by almost all political commentators in this country is the total absence of any Liberal policy at all.

As a matter of fact, the closest the Liberals have come was the amendment introduced by the member for Etobicoke North about how he would have amended the resolution by dispensing with our condemnation of the free trade agreement and the NAFTA. Everything else would be left there.

Mr. Marchi: It is not condemnation. You've got the wrong word.

Mr. McCurdy: Pardon?

Mr. Marchi: That's not so.

An hon. member: Read the amendment.

Mr. McCurdy: It is so. They are protesting as they usually do. I understand that it said that it should eliminate—

Mr. Keyes: Read it right.

Mr. McCurdy: This is what I have. I stand corrected. It says they will eliminate that section of the North American free trade agreement and so on but leave in the jobs plan, an infrastructure program, a national child care program and all those things that constitute the core of

the New Democratic economic policy. That is what is there.

It would seem to me that with the hon. member having mentioned that the fiscal policy and the monetary policy have to be part of an industrial policy, then I think that most Canadians would be looking for something definitive and clear on the GST.

I would give it to the hon. member and his party that they are staying on that tack of wanting to renegotiate the free trade agreement. I want to know exactly what article in the free trade agreement the Liberals are referring to that permits renegotiation.

Mr. Peterson: Mr. Speaker, Canada is just as free to renegotiate the free trade agreement as the NDP is to switch its policies.

• (1635)

Our position is very simple. We want to renegotiate this free trade agreement involving Mexico because we find it deficient. Unlike the government, we are not in favour of rushing in to pass this deal at a time when the United States has put it on hold. It is totally irresponsible.

Second, we have a number of problems with this deal the way it is. It does not give a detailed definition of subsidies. This government is waiting for pie in the sky and for the GATT to finally give us a subsidies code. In the absence of that, it will not come forward with a subsidies code which would end some of the trade harassment that we have experienced under the free trade agreement. We need that.

We need anti-dumping laws that will benefit our steel makers.

I would like to see provisions which would ensure for all time that the auto workers in that member's riding do not have to worry about the erosion of the auto pact because the seeds for erosion are in the NAFTA.

I would like to see a parallel agreement dealing with energy. Why should Mexicans not have the same treatment in terms of their energy and their self-sufficiency as Canadians?

There are many flaws in this agreement. We have not been satisfied that the trade harassment will end under the NAFTA. This is why we are not going to support it the way it is and this is why we urge Her Majesty's government to press on and put the Canadian agenda forward. It is critical that we do so.

Mr. Sergio Marchi (York West): Mr. Speaker, in 10 minutes I would like to make a few comments about the political party advancing this motion and obviously make a few comments on the economic policy direction being pursued by the government.

First, one has to take a look at the NDP motion. One is struck by how convoluted this particular motion actually is. That one run-on paragraph it talks about concepts of full employment, abrogating the FTA and abrogating the NAFTA. Then it talks about something called the jobs plan which I am not sure is any different from the first concept of full employment. Then it talks about an infrastructure program. Just to make sure, it throws in a child-care package to really make the paragraph or the motion being debated before us very convoluted and abstract. It basically throws in the kitchen sink.

Canadians and certainly members of this House are looking for a very practical and realistic motion that we can discuss and debate intelligently and hopefully be understood by Canadians at large.

Second the motion is quite frankly irresponsible in that everyone understands, both inside this Chamber and outside this Chamber, what the real aspects of this particular motion are. Members of the NPD talk about the abrogation of the free trade agreement and the NAFTA because obviously they are not too concerned with the members on the other side. They are more concerned with the Liberal Party of Canada. They think that because we have opted for renegotiation that somehow we are vulnerable in the face of Canadians' dissatisfaction with the free trade agreement and the NAFTA.

Yet, when asked whether they want the status quo or whether they want abrogation or renegotiation, close to 70 per cent of Canadians in any opinion poll essentially agree with the position that we have adopted for some time now.

It is odd to hear the New Democratic Party coming from a viewpoint of indignation. We should cast our minds back some years to the 1988 campaign when the New Democratic Party and its leader in the first press conference of the campaign never mentioned the words 'free trade agreement'.

• (1640)

We all know the New Democratic Party did a basic rethinking of where it went wrong. Most of its partisan supporters were quite upset that rather than attacking the free trade agreement as we did in the 1988 campaign, it simply attacked our leader and our party.

The free trade agreement as is and the NAFTA legislation as is are obviously unworkable and are not in the best interests of our country. In fact, the trade minister said as much in that he is not pursuing the leadership of his party. That is because he will be seen as the father of the free trade agreement and the father of the GST. Therefore, he is admitting that he will be unsuccessful, largely because of that record which would be the ball and chain not only for his potential candidacy but also for the other candidates of his party.

While those agreements are wrong, it is equally wrong to say that the only solution to those trade agreements is not to have an agreement, that the only reaction to flawed pieces of legislation is to simply rip them up and pretend they do not exist any more.

One has to be responsible. We have had a free trade agreement in operation whether we like it or not. Thousands and thousands of individual decisions have been made by Canadian businesses, entrepreneurs and individuals. It would be completely asinine that the first reaction of an NDP government, which will never see the light of day, but notwithstanding that the first action would be to simply rip it up. You would probably be making losers out of winners, and the losers are still looking for some answers.

It is the same thing with the NAFTA. Therefore, a better solution rather than simply turfing out both those agreements would be to take a look at where those agreements are flawed. Take a look at defining what a subsidy means. Address the question of dumping. Look at the structure of our Canadian plants and businesses and infrastructure. Let us see where the losses and the wins are coming from and try to right the wrongs. Try to go back with the Americans and the Mexicans and take a second look at the situation, just as the Clinton administration is approaching it with the side agreements.

To simply say: "Elect us and we will rip things up" or "elect us and you will not see the GST, but do not ask us where we are going to get the $15 to $18 billion" seems a bit too trite, even for the New Democratic Party. Yet it persists. It throws this resolution on the floor thinking that somehow it is going to trap someone along the way. However, the real object of the exercise should not be to play those cheap partisan political games on the backs of those Canadians and industry. It should be to begin to look at these two agreements and seek the changes and modifications needed to ensure that those agreements are better.

Whether we like it or not, the Americans are our best trading partner and vice versa. Whether we like it or not, countries like Argentina are taking a look at the NAFTA. Members of our party not too long ago met with Argentina's minister of industry, Mr. Cavallo. He is a very impressive individual and is the author of the Argentine economic miracle. He mentioned to us that his country is seriously looking at a future round of the NAFTA. I suppose there is nothing wrong with that, as long as Canada is protected, as long as we are defending number one in that legislation. Then we are being responsible.

That is why we take a different position from not only the substance of the NAFTA but also the process. It seems to be absolutely unconscionable that we are going to be considering enabling legislation on the NAFTA when the main one of the three partners in this so-called agreement has put its own position on hold *vis-à-vis* the NAFTA until the Mexicans begin to whistle their tune.

• (1645)

We ought to take a page from that strategy and say that we are not prepared to enter into an agreement unless and until we are satisfied that it works for the benefit of Canadians too. That is very different from saying that we are going to put the blinkers on and there will be no trade agreement. It does not matter if it is the lifeblood of an economy, the heck with it.

Do you know what? That is what Bob Rae did. He put an agenda and a platform together that sounded very good. It appealed to the traditional supporters of the New Democratic Party because they figured that the NDP would not have a chance to ever be government. However, the most surprised person in Ontario on election night was Bob Rae. All of a sudden he became the premier, but he had an unworkable, unrealistic platform. In the end the platform was abandoned. The New Democratic Party has alienated its own constituency. At the same time it has alienated just about everyone

else. Who is it left with? What mess is Ontario in today?

Opposition parties should not be blinded by partisanship and the automatic gut reaction of always saying no to something the other guys do or wish to do. Is it not more responsible to be realistic and honest with decision making that affects not only members and political parties in this Chamber but workers and families and businesses across the country?

That is why rather than being irresponsible the New Democratic Party ought to be concentrating on the economic approach of this government and the alternatives now that it is into a leadership campaign or so-called coronation campaign. It should be revisiting the last eight or nine years and putting pressure on the government to come up with answers. This is rather than hearing the minister of trade at the Toronto economic summit call for the very purposes of trying to get Toronto moving again. It was a litany of all the great things that this government has done for Torontonians, as if Toronto has no problems.

Our friends in the NDP to our left missed the opportunity. Rather than trying to put this government on the spot, they have irresponsibly tried to hit someone along the way with a motion that really does not say very much. Quite frankly, it is convoluted and a waste of time.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I think that my colleagues from the NDP have clearly shown in their motion that they have gone too far. Too much is too much! The only thing they forgot to include was the promise that we would all go to heaven when we die.

I think that everyone who followed the debate on the free trade agreement realizes, as I am sure my colleague would agree, that the whole world was moving toward free trade. That is obvious, because we live in a world where free trade is the way to prosperity. But after signing this agreement with the United States the government opposite neglected some things. Even the Canadian Manufacturers, Association says that there should have been a transition period to analyze the potential consequences of this agreement. We know that we could have helped some very specialized industries in our country if the United States did not respect the spirit of this agreement.

So I ask my colleague if we had a transition period and programs to support industries by helping them during this period, which could have been five years, does he not believe that we would have been better able to benefit from this agreement if we had foreseen the dangers that such a treaty with the United States might contain?

[*English*]

Mr. Marchi: Mr. Speaker, my hon. colleague raises a very important point which I had failed to mention in my limited time in which to address the subject. That is the whole question of adjustment programs.

• (1650)

Again I ask the House and particularly members of the governing party to think back to that 1988 campaign. The Prime Minister in a fit of tremendous rhetoric promised the greatest transitional adjustment programs in the western hemisphere, not only ever seen in Canada or in North America, but the greatest number and most effective adjustment programs in the western hemisphere.

That was the election where there was third party advertising and large corporations wrote all their employees. The threat was on that if you did not sign on your job would be in jeopardy. The free trade agreement would lead to thousands of jobs. However, just in case you as a worker or a company were affected the Prime Minister promised the greatest adjustment programs ever seen in the western hemisphere.

It would be fair to say that a good number of Canadians believed the Prime Minister and believed and trusted the government. This is notwithstanding the fact that if one looks at the total number of people voting for our party and the New Democratic Party then obviously more people were against the free trade agreement than there were in favour. However, there are many Canadians who essentially trusted and put their faith in the words spoken by the Prime Minister. Those same workers today are without jobs and have no transition programs and no adjustment assistance.

My hon. colleague obviously draws the point that if the government had kept its word not only would there be fewer cynics across this country as they look at this Chamber and government, but more Canadians would be working today. We would have a nation more confident in itself in pursuing international trade agreements.

In any agreement there is going to be a shortfall. In any agreement there is going to be an adjustment. Therefore if the population, the labour pool and workers know there is a commitment to keeping those jobs then that nation will be more competent and confident in pursuing and supporting a government that seeks greater trade opportunities as a measure of increased prosperity.

However the country cannot be confident when it has had a major promise, commitment and plan during the 1988 campaign which was basically a referendum on the free trade agreement, which was not kept. Canadians were led down the garden path. That is why in large measure Canadians *en masse* are rejecting the NAFTA. That is why when this government asks Canadians a second time to trust it, regardless of who the leader is, the resounding answer of Canadians will be no.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I want to look at this motion first of all from the point of view of its over-all scope and then concentrate for a few minutes on the trade agreements.

First of all, my hon. friends opposite know that about 20 years ago I wrote a book on the role of the opposition. I hope they have read it. This book concerned the study of parliamentary democracies and what opposition parties do, what is their function and what is their role. This book was extremely well received by everybody who read it. I distilled three roles for the opposition and all thought these were the roles of the opposition.

Professor Hockin's rite: The first one is to check the government against dishonest action or unconstitutional action. That is the role of all oppositions. I think it is an honourable role and oppositions should do that.

The second role is to prod the government into doing things. In other words, through the constituencies you represent, if you think the government is not doing a job of speaking to them or helping them you should prod the government.

However, the third role of the opposition is to get ready through programs of its own in opposition to govern.

Look at this motion. There is no evidence here whatsoever of constructive thought about the third role of the opposition, which is to prepare to be an alternative government. That is because what is being asked for is all negative. That we must endorse a strategy of abrogating the free trade agreement is just a negative role. That is ripping it up. Not implementing the NAFTA is a negative role. Including actions such as a jobs plan is not a policy but just an expression of sentiment. One says: "I have got a jobs plan". The next question is: "What is it? What is the content of it?" We do not know.

• (1655)

As for an infrastructure program, everybody has an infrastructure program. We have an infrastructure program. We believe in strategic investments in infrastructures such as science and technology. Certain kinds of things can be done with the Trans-Canada Highway and so on. What kind of infrastructure program is being spoken of?

Finally, there is a national child care program in order to ensure job creation. This is a child care program, not to look after children I guess, but to ensure jobs for people. What we have here is an example of an opposition party not fulfilling the third and most important role, which is to ready itself with alternative proposals.

I have seen the NDP document. I have to give the NDP some credit because there are parts of that document that are not included in this motion that are a constructive attempt to come to terms with alternative policies.

This motion does not do it, but some of its program does.

The Liberal party has yet to tell us what it would do as an alternative government. It has more or less positioned itself as being against everything and for almost nothing. I remember it was the famous Liberal Whig politician, George Tierney, in Great Britain in the 19th century who said that the duty of an opposition was simply to oppose everything and propose nothing and throw out the government.

This is not constructive. The people of Canada do not want an opposition acting that way. They want an opposition to have alternatives and ideas. This is missing in this motion and it is also what is missing so often from our hon. friends opposite.

This government has done a lot of substantive things. Even if the opposition does not agree with these things, I would like to see it put forward alternatives that were just as constructive as what we have done. Instead we just get: "Do not do that, do not do that and do not do that". There are never any constructive alternatives.

Look at what we have done in terms of fisheries. We have the minister of fisheries sitting here. No government has been more generous with the fishery or more willing to make tough decisions with the fishery than this government. We have the Minister of Finance just a couple of seats down. Canadians have the lowest interest rates and the lowest inflation in decades. We have a growth that is the fastest—or close to the fastest—growing economy in the industrialized world. All of this has been created by this government through its policies.

We know about deregulation. It is complained about in the opposition motion. In fact, deregulation has liberated various parts of the Canadian economy and made it more competitive. Downsizing the Public Service has helped in a way because we have been able to remove from the public payroll over 90,000 Canadians. A number of them are now working in the private sector or working in privatized Crown corporations. All of these were constructive things that this government did. What is the opposition's alternative? We never hear it.

When I look at the future economy for Canada, the high-tech reality that is facing us, this government is doing a whole host of things through IRAP, the TOP program, the technology assessment programs and through a host of technology diffusion strategies that we have been announcing. We will be announcing more in the future in order to make this country of ours more high-tech and more technologically comfortable. Those are programs that this government has put forward which are moving well.

We have also done a series of things on the framework side in terms of tax reform and a new, liberalized trade environment. We have created over 1,600 small businesses through our aboriginal programs that members from both sides of the House support. We have aboriginals now who are much more entrepreneurial and who want to create their own businesses. This government put that program in place. It gets little credit for it but this government has done that.

I want to thank members of all sides of the House for the Small Businesses Loans Act which passed in this House two weeks ago.

• (1700)

This bill will be very important for businesses in this country, especially small and medium-sized businesses. This will increase the guarantee to 90 per cent. Therefore the financial institution is only exposed for 10 per cent of the risk. We have increased the commission a bit so the financial institutions will use it. We have also limited the personal guarantee that the financial institutions can ask for when they give this loan.

This is dramatic. According to the banks we are going to have close to one billion dollars worth of lending done because of this act that only costs us $30 or $40 million to accomplish. We have provisioned $30 or $40 million in the budget in the Small Businesses Loans Act. It is going to lever about a billion dollars worth of activity. That is remarkable.

It is a little different from the NDP government in Ontario that is spending $1 billion to create 10,000 jobs directly. In fact, what we are doing is spending $40 million to create one billion dollars worth of activity through the financial institutions.

I think that is a better way to go. I think that is a more prudent use of the taxpayers' money.

We have no reflection from the opposition of how it would do any of these things better. That is the role of the opposition. It is to be constructive and have some constructive proposals of its own.

As for the trade agreement, I have my views on the NAFTA that are maybe a little different than those of some other members of the House because I come from southern Ontario and I have seen the companies that want to take advantage of the NAFTA.

I want to speak to that just for a minute. Three years ago I met with a group of Canadian exporters who had the following complaints about exporting to Mexico. It was quite a meeting. I will never forget that afternoon.

There were about 30 people there that all tried to export to Mexico. Here were their complaints.

First, Mexican tariffs were above 20 per cent. We cannot export with tariffs at that level. Second, if there were no tariffs, there were quotas. In other words, one can only export a certain amount. There was a quota stopping them. We wanted to get into services with our engineers and consultants and so on. No, one had to have Mexican professional accreditation or one could not sell into Mexico.

We took a look at the rules of origin. In other words, we tried to find out where goods are made so we could add tariff classifications to them. The rules of origin were murky and very hard to read. Customs administration was a disaster. They could charge all sorts of fees for handling goods as they went into Mexico. We had almost outright prohibitions against a number of our exports or quotas: telecommunications, grain, fish, metals and machinery. We had little or no opportunity to get any government procurement orders from the Mexican government.

That was the situation three years ago. It was a thicket of problems. There were so many problems that the embassy told me then that they had little more than 200 Canadian business visits in 1989 even to look at the Mexican market because it was so darned difficult to get into that market.

These were the problems for us to get into Mexico, but what were we doing for the Mexicans three years ago? They had virtually open sesame to the Canadian market. In the middle seventies the Trudeau government agreed to pretty well get rid of all tariffs against developing countries, including Mexico. It gave Mexico most-favoured nation status. We have lowered all our barriers. We took all the snow out of the driveway so they could drive their trucks right into the Canadian market three years ago. Now, 80 per cent of our trade with Mexico has no tariffs at all. They can export into this country with no prohibitions at all. We have no quotas. The 10 to 12 per cent of products coming into Canada from Mexico that do run into tariffs are at very low rates.

What is the NAFTA then? The NAFTA is the best possible arrangement for Canada because finally we are going to get the kind of access to Mexico it has had for years to Canada. Frankly, it is almost a one-way negotiation. We are getting rid of their barriers which are many. We already got rid of ours decades ago. So why would one not negotiate access to Mexico when one has already given them total access to one's own market?

I have never been able to understand why the newspapers are even interested in this NAFTA thing. It is such a one-way deal for Canada. It is a winner and it improves the free trade agreement. There were a few wrinkles in the free trade agreement that we wanted to improve and it improves them as well.

When we look at the NAFTA and when we look at the FTA it is a one-way victory for Canada. There is no doubt about it. It also keeps in place something else which I have always thought historically has been very important for Canada. Canada is one-tenth the size of the United States in terms of economy and population.

• (1705)

Whenever we had a dispute with the United States in the past we would have to spend millions of dollars with a whole bunch of Washington lawyers to see if we could even get a hearing. Usually it just wore us out. It would take years and years to get anywhere and millions of dollars in legal fees and we usually lost.

What does the free trade agreement do about all that? It puts an adjudication panel in place: one Canadian, one American and a neutral chairman. Within 315 days they have to make up their minds. They have to decide who is right and who is wrong. Not only that, but we have been winning. We have won the last four or five. The last time I saw a score-card we had 11 victories and 9 defeats.

Why is this important? As I have told the House before, I will never forget a meeting I had a couple of years ago with the Japanese minister of trade. He said: "Can you explain this free trade agreement you have with the United States and this dispute mechanism that you have? How does it work?" I explained it to him just like I have just explained it to the House.

He said: "Just a minute. Canada is one-tenth the size of the United States and you're saying that when you have a dispute with it, it has given you equality". I said: "Yes". He said: "Good Lord, why does it do that when it is 10 times bigger?" I said: "That is what we negotiated". He said: "Boy, that's a pretty good deal. I would like to get that for Japan with the United States".

That is what we have negotiated. We have negotiated equality with the United States whenever there is a dispute with that country. Nothing could be a greater affirmation of our sovereignty, nothing could give us more equal footing with the Americans than what we have done there.

People say that under the free trade agreement there has been job loss in Canada. We know what the Minister of Finance has said and we know what the economists are saying. It is quite true that we cannot trace everything to the free trade agreement, job losses or job creations. It is true that $18 billion worth of exports more are going into the United States this year than went into the United States the year before the trade agreement.

It is also true that there has been a complete change in investment. I want to tell the hon. member from Windsor that tomorrow I am going to go to the opening of the new Chrysler plant, a $600 million plant, in Windsor. There will be a $2 billion expansion to the Ford plant in Oakville. There has been a tremendous expansion of Freightliner in St. Thomas. All of these things have been happening.

The hon. member for Windsor West just sat down. He knows about the $600 million expansion at Chrysler tomorrow. This is all good news. It is there in large part because of the confidence people have in the Canadian economy. We only buy 9 per cent of the big three automobiles but we produce 18 per cent of them in Canada because we are so efficient and competitive.

What we now have is a free trade agreement that protects our sovereignty and strengthens us. With the NAFTA agreement, which the opposition wants us to abrogate or be against, we further consolidate what we captured in the free trade agreement and we finally get access to the Mexican market, which we have never had before.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I listened with great interest to what the hon. member had to say, particularly to the fact that he mentioned his book in his opening remarks.

I happen to have read that book and understood from that book that the member had a much firmer grasp at that time of the political realities of the country than he seems to have today, at least if we take his rosy-glow approach to the trade deal as an indication of his current thinking.

I would also like to remind the hon. member that in opposition his party advocated that universality of social programs, for example, was a sacred trust. I would also like to remind him that before the last election, although his party was in government, his party said that it would introduce the best adjustment programs known to the civilized world if there were negative consequences from the trade deal.

In his academic analysis of opposition parties over the years, when has an opposition party come forward with a more complete description of a proposed economic agenda than the New Democratic Party. When has it been more fully costed? When was it submitted to a widely respected independent agency to have the results verified by somebody outside the political process?

• (1710)

The hon. member made reference to the CAEDS program, the aboriginal economic development program of which I and others in my party have been supportive. Why did he countenance in the last few years the fact that CEIC has withdrawn 25 per cent of its commitment to the program, that in the last budget the Indian affairs department withdrew 31 per cent of its commitment to the program, and that his own department withdrew 10 per cent of its program?

Is the member satisfied with the predictions of independent analysts and his own government figures indicating that this will be a jobless recovery, that for the next five years we can anticipate the same level of unemployment? If not, what proposals does he have to increase the level of employment among Canadians?

Mr. Hockin: Mr. Speaker, I appreciate the hon. member's intervention. I take his points seriously.

On the first question of being a party which has put together alternative policies, my complaint was that the motion itself was not constructive. He is quite right though. I have to give the NDP credit. It at least looked at policy and produced a booklet three or four weeks ago that was an attempt to give its point of view.

It was costed, so-called, by Mr. McCracken and the Informetrica people. The Minister of State for Finance made very clear in the House today the problems, the way he looked at it. The way it was costed assumed certain things that were just not valid, especially the impact of what would happen to the Canadian investment climate if we abrogated the free trade agreement

or if we did away with the GST. What Informetrica did not look at was that there would be some sort of shock about that which would affect investment in Canada. Therefore the assumptions about investments were far too rosy. We are just two economists talking. That is my problem with the Informetrica review. It overlooked those important realities.

Something else is that one can be an agnostic about free trade and agnostic about the GST. In other words, one is either for it or against it. Even if one is agnostic one has to admit that if a government actually did away with those two things there would be reverberations immediately in international financial markets which could plunge the country into a tremendous recession. That is what the plan completely overlooked. I do not fault the NDP for trying to come up with policies but that is my big problem with what it has done.

On the CAEDS program—and I am kind of fortunate because a lot a ministers have to stand and talk about how they had to freeze this and freeze that—the two things that have been indulged most by the government have been aboriginal spending and science and technology spending. I am responsible for both the CAEDS program and science and technology. There is never enough for hon. members opposite, I understand, but the CAEDS program was very generously increased, and it was made permanent.

The cutback the member talked about was through CEIC. It was not for the CAEDS program but for a different program. It was an economic development program. It is not the program that really creates small businesses on and off reserves, which is my program and which has not been cut back. There is a lot of pressure on that program because we have so many applications. We have three great boards that give me a lot of good advice, aboriginal people who give us great advice on how to create small and medium-sized businesses. They really decide who gets funded. It is not me.

We have three times the applications, as we sit here, as we had five years ago, even in the middle of a recession. That program has been generously funded. I am proud that our government has done that. I will always be proud the aboriginal people have been looked after as generously as possible by our government, even in the midst of this recession.

I think it is acknowledged by the CAEDS board that we have done that. The CAEDS board would like twice as much money because they are so many applications, but we have funded this program generously, if not more generously than any other program the federal government delivers.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the minister makes some astute observations and he is absolutely right. The NDP motion we are debating today is negative, unqualifying and unconstructive but most obviously uncompromising. Says the self-professed professor: "What are missing are the alternatives".

• (1715)

I give the minister opposite the opportunity to possibly correct the record because alternatives have been put to the government. I dare say that on almost every bill brought before this House, like the GST, the FTA, the immigration and the UI bills, the opposition has proposed alternatives. It has proposed credible suggestions which seek to improve any one of the bills aforementioned. They are called amendments.

An hon. member: Oh, oh.

Mr. Keyes: The hon. member for Burlington sits there and squawks and grunts, but the reality is that the alternatives are put there in the form of amendments. They are the suggestions of the opposition to facilitate a bill that in our opinion make a better piece of legislation.

To no one's surprise what happens to the majority of these amendments, the constructive useful suggestions put forward on any government bill, is that they are defeated. They are voted down by the government time after time. I have sat here for over four and a half years and have witnessed this each time an amendment was brought forward.

That is what a suggested alternative is. It is called an amendment to the bill. Anyone can pick up a copy of *Hansard* or can call or write their MPs to ask for any copy of *Hansard* over the last four and a half years. We will get copies for them and they will see that suggestions have been put forward. However members of the government, in particular the member for Burlington and the professor himself, have stood and said no to the suggestions

because they do not fit their market driven agenda, which is not the problem.

I want to ask a question of the hon. minister. We have another amendment to a suggestion being put forward by the NDP today. It is a constructive amendment. If there are flaws in the NAFTA, which we and the majority of Canadians believe there are, why not sit down and renegotiate them? If we cannot do that as they profess, can we bring forward the parallel agreements on the environment in order to correct the agreement—

The Acting Speaker (Mr. DeBlois): In fairness I have to give the floor to the hon. minister.

Mr. Hockin: The question is: Why could this government not countenance some improvements through amendments to the NAFTA? That is the question. I gather the improvements would be a subsidies code, improved environmental standards and improved labour standards.

We are the government. We are the party to this negotiation that suggested 14 months ago both environmental improvements and labour code improvements. Finally the United States is looking at them. We have been out front. We do not need their amendments to have us do it; we suggested those changes 14 months ago.

On the subsidies code we have said we have a beautiful solution to that. It is the GATT subsidies code. Rather than rewrite the GATT we will just take the GATT subsidies code and use it. In fact I gather the negotiators are looking at that. What we did 14 months ago was exactly what the hon. member for Hamilton West is asking us to do. Why amend a piece of legislation when we are already doing what he is asking us to do?

The other more profound point he was making was a good point. He said: "We amend legislation. Therefore we are being constructive". He wants to go through life amending here and there great pieces of architecture.

Where is his great piece of architecture? All he wants to do is add a little garage here or a small door there. That is what he wants to do. They are small amendments. That is his view of governing. We produce the architect. We build the building. We have the original and comprehensive thoughts. What is missing from the opposition, especially in the Liberal Party, is any sense of architecture on what to do beyond adding some minor amendments.

• (1720)

Hon. Herb Gray (Windsor West): Mr. Speaker, when I first looked at the NDP motion we are debating today I thought that it might be possible to find a number of things in it with which many members of this House and many Canadians could agree. For example, the motion starts by saying that this House recognizes that the government's economic recovery plan has been a failure.

I think most Canadians would agree with that because we have just started to come out of what has been three years of the most severe recession this country has faced in modern times, a recession which the Prime Minister boasted was deliberately induced by Conservative government policy.

Even though we are starting to come out of this Conservative induced recession, this movement toward the light of economic recovery is slow, anguished and painful because we still have 1.5 million people out of work. It is not clear when most of them are going to find jobs. In fact there are all too many among our unemployed who have little prospect because of Conservative government policy of ever finding jobs. We are faced with an unparalleled disruption of our industrial base in this country as a result of the hammering of misguided Conservative policies. Therefore it would be very easy to agree that this motion makes a good point, a point that has already been made over and over by Liberals, that this government's economic recovery plan has been a failure.

Also it would be easy at first glance to be able to agree with what this NDP motion says to the effect that there has to be a comprehensive economic recovery program which includes such things as a strategy for full employment, a jobs plan, an infrastructure program and a national child care program. These are all things which, well before this motion was put down on the agenda of this House, Liberals have been calling for, working for and pushing for in spite of the blindness and deafness of

the Conservatives when it comes to responding constructively to the Liberal point of view on these matters.

The infrastructure program, for example, is something we began pushing for back in 1988, building on the very good work of the Canadian Federation of Municipalities.

However, I regret to say that when I and others examine this resolution more closely we see problems with it. These problems have lead our party to propose an amendment. If this amendment were to be adopted by this House then I would say that the resolution, as amended, would be acceptable not only to Liberals but I think to most Canadians.

Our amendment focuses on two particular problems. One is that the resolution calls for simply abrogating the Canada–U.S. Free Trade Agreement and the North American free trade agreement.

This resolution overlooks the fact that surveys have shown, including one survey carried out by supporters of the NDP, that most Canadians want the government to renegotiate these agreements. Only if it is not possible to renegotiate to bring about a better deal for Canadians, one which answers the concerns about the problems we outlined all too often which are connected with these deals, only then we say should the tool of abrogation be undertaken on behalf of Canadians by their government.

This resolution does not respond to the views of Canadians in this regard. In fact the resolution shows no recognition of the common sense of a policy which, as the Liberal amendment points out, should be one based on renegotiating these trade agreements rather than simply rushing to abrogate or cancel them.

• (1725)

This is a common sense approach because it makes use of the unparalleled opportunity for getting better deals for Canadians in their trading relationships with the United States, and also with Mexico, created by the election of the Clinton government in the United States.

That government sees flaws in these arrangements similar to the ones that we have outlined. Liberals have expressed concern about the lack of labour standards in the proposed North American free trade agreement.

They have expressed concerns about the lack of environmental standards. They have also had particular concerns about the lack of a subsidy code and the lack of measures to deal with the exposure of Canadians to anti-dumping and countervail law from the United States.

The Liberals have also expressed concerns that the Mexicans are left under the proposed NAFTA deal with more sovereignty over their energy resources than Canadians have under the free trade agreement and would have under the NAFTA.

With the Clinton administration ready to negotiate what it calls parallel or side agreements, a door has opened to make major improvements to correct flaws which have been all too evident in the existing Canada–U.S. Free Trade Agreement and which have been carried forward in the North American free trade agreement. Yet the Conservative government has said that one of the reasons to adopt the NAFTA is because it corrects the flaws in the free trade agreement.

It is interesting that is a justification given by the Conservative government for the NAFTA because originally the Conservatives said that the free trade agreement was perfection in itself and was the best agreement between two countries that we have ever seen.

Now they come along and say they want us to agree with this NAFTA proposal because they finally woke up to the fact that the free trade agreement is full of flaws and errors which this NAFTA will correct.

We should recognize that the same gang that brought us the flawed free trade agreement with the United States is now trying to sell us the North American free trade agreement to replace it. If they were able to make a botch of the original agreement there is no reason that one should assume that they are doing anything better with the NAFTA.

Our trading relationship with the United States is crucial for this country. It is our best customer and we are its best customer. Yes, we need to expand our trade with the rest of the world but we have to recognize the importance to this country, now and in the future, of our trading relationship with the United States.

It is simply common sense not to rush to break apart what has been done unless we first try to use this opportunity I have mentioned to negotiate a better deal and correct the flaws and difficulties which many feel have brought about lost jobs, closed factories and diminished sovereignty for this country. The Clinton administration gives us this opportunity.

In today's *Windsor Star* there is a cartoon of President Clinton saying: "Folks ask me what NAFTA stands for". Then the cartoon shows President Clinton saying: "I tell them it stands for Not Altogether Finalized Trade Agreement".

This cartoon has an essential truth to it. Since the agreement has not been submitted to the U.S. Congress it is not undergoing the fast-track debating process. President Clinton has made it clear he will not submit the legislation for it to the Congress unless and until satisfactory collateral or side agreements have been negotiated.

By simply moving to abrogate the existing free trade agreement with the United States, flawed as it is, and the proposed North American free trade agreement we will be passing up an opportunity to get a good deal on trade with the United States and Mexico for Canadians.

• (1730)

As I have said, if the NDP will accept our amendment and therefore recognize this point then its motion could well have some basis for support.

However, I want to say quickly that there is another flaw and that is that there is nothing in the NDP motion about having a national recovery program in a context or a framework of fiscal responsibility. We know only too well how the Conservative government, after nine years, has created a tremendous problem in allowing our national debt to more than double to more than $430 billion and has also not improved, but actually allowed to become worse, our annual deficit problem.

Yes, we want to see a program of economic growth as a way to create jobs—

The Acting Speaker (Mr. DeBlois): Order, please. I am sorry to interrupt the hon. member but his speech time has now expired. It was 10 minutes because he split with another member of his party.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, perhaps the hon. member would want to add a word, given his knowledge in these matters, about the rapid increase in foreign indebtedness that this government has permitted to take place. It subjects Canadian government to the review and surveillance of foreign institutions and foreign governments, which renders us vulnerable in a way we have not been before.

Mr. Gray (Windsor West): Mr. Speaker, until this government took office we never had the exposure that we now have to the views and pressures of foreign investors with respect to the government's borrowing activities. Only since this government took office have we seen this burgeoning of our debt not in the form of money owed by Canadians to themselves, but owed outside this country.

This is a problem that we have to be aware of and which also leads me to return to the point I was making before about the need to have an economic recovery program in a context of fiscal responsibility.

The NDP in its program announced a few weeks ago went through the motions of recognizing the need for fiscal responsibility but I noticed that in its motion today there is not a word about fiscal responsibility. It is like what it said before about it never took place. Therefore I submit that unless that omission is corrected by adopting the Liberal amendment the NDP motion, in spite of the good intentions that may be connected with it, does have a serious flaw which prevents it from being supported by members of this House.

I thank my hon. friend for mentioning the foreign debt problem. It is ironic that the Conservative government, like the Republican government of Mr. Reagan and Mr. Bush in the United States, came into office saying that its priority was to deal with the public debt and the annual deficit. Yes, they dealt with them all right, both in the United States and Canada. They allowed the problem to reach astronomical levels of concern and certainly this will be something that a new Liberal government will have to deal with as part of putting into effect a program of serious economic growth and job creation.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, my question will be very short.

If the hon. gentleman was so concerned about the government's deficits and the debt why was it that he permitted himself to be a member of a government that from 1968 took Canada from a position in which we had surpluses every year to a position in which in the last year of the hon. gentleman's government there was a deficit of $38 billion and the government operated without any

operating surplus at all. The government had an operating deficit of, and I do not have the exact amount here, something in the order of $17 billion. That left Canada in such a bad deficit and debt position that we have had to struggle ever since to get it back on track. We now have an operating surplus. We have had an operating surplus in the government's accounts every year. We are making a contribution toward the interest costs. When the hon. gentleman was last in government in 1984 no contribution was made toward the payment of interest but there was a deficit in addition to the interest payments.

• (1735)

Will the hon. gentleman explain to the House, has he had a conversion on the path to wherever he is heading? If there is a conversion, what is his hon. leader going to do about the fact that he is going to abolish the GST? He does not want to bother the Canadian people by telling them how the $17 billion of lost revenue is going to be replaced plus the contribution of $2 billion or $3 billion we are now paying to the sales tax credit. Would the hon. gentleman explain a couple of these prickly little matters for us so that we will understand what might happen if his party ever sneaks back into power in this country again?

Mr. Gray (Windsor West): Mr. Speaker, when my party goes back into power it will not sneak in. It will march in probably with a strong majority because the Canadian people will have compared not only past Liberal governments but also the Liberal program with the nine years of this Conservative government. They will agree with us that this government will have been found, and has already been found, sorely wanting whether it comes to job creation, tax policy, or deficit policy.

My hon. friend has tried to pretend that paying interest by government is not an expenditure. That is absolute nonsense. Paying interest is an expenditure as much as any other kind of expenditure. For this minister and his government to say that if it was not for our interest payments we would not have this huge accumulated public debt is absolute nonsense. Just as it would be nonsense for an individual to tell his or her bank manager that if they did not have to pay interest on their mortgage they would be solvent. That is ridiculous and the hon. minister knows it.

With respect to the GST we have been right up front with Canadians from the beginning saying that it is a bad tax. We agree with Canadians on this. But the revenue involved has to be replaced. The manufacturers' sales tax created revenue which the government said it was going to replace with the GST, a tax which it said was going to be revenue neutral and not one that would do anything else for the government's accounts.

I know the government does not want to account to Canadians for what it has been doing or not doing over the past almost nine years. It is trying to pretend that those years did not happen and other people have to explain what they are going to do instead.

Liberals are not going to let the government get away with this, nor will Canadians. It will be held to account. The result will be, as I said, a Liberal government marching into office with a majority, heads held high, proudly committed to rebuilding this country after nine years of Conservative destruction.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, as I listened to my colleague from Windsor West I am reminded of the discussion he related to me some time ago. He had had a discussion with Senator Croll. I guess it was during his first campaign and he was getting some counsel and advice from Senator Croll as to what he would do when he was asked why people should vote Liberal. Senator Croll told my colleague from Windsor West that when talking to people in his community to remind them that when they vote Liberal they are voting for more jobs.

Looking at the record when the Liberals were in power over the years it is an indisputable fact that when people vote Liberal they are in fact voting for more jobs. That will be the central focus of our campaign in the next three or four months.

• (1740)

I want to get back to this NDP resolution. There are some aspects of this NDP resolution that I agree with. I naturally agree with the fact that the goods and services tax has been a disaster, as well as all the off-loading onto the provinces in terms of transfer payments that this

government has done, especially in a province like mine with the cap on CAP.

It has been an incredibly difficult situation. A province which has traditionally been counted on to pull us through difficult periods like this has had the double-barrelled effect of not only being hit by the cap on the CAP but also having an NDP provincial government which just does not know how to deal with reality at all.

In the final sentence of this opposition motion the NDP say it is going to have a plan that will ensure job creation and prosperity for Canadians. As I listened to the members of the New Democratic Party today, I could not believe how little focus there was on the role that small business would play in creating those jobs.

The fact of the matter is that the greatest hope for new job creation in this country lies with the small business community. Most of our larger corporations are downsizing. They are restructuring and they are all laying off. Any new jobs that have been created, as well as 80 per cent of the jobs that are in existence today, are created through the small business sector. I could not help but notice the fact that the NDP just does not understand that is where the real emphasis should be in terms of any kind of an economic recovery plan.

We in the Liberal Party have strong views. We have taken a very strong position traditionally in our support for small and medium-sized business. Three weeks ago when the government put forward its Small Businesses Loans Act we stood up in this House and supported that bill going through the House in record-breaking time. The government made a commitment on that day that it would promote the Small Businesses Loans Act, that it would make sure that all the financial institutions and all of the small businesses in the country knew about that specific plan.

It is a good piece of legislation. I give the Minister of Finance credit for the idea that the government back small businesses loans to the tune of 90 per cent on loans up to $250,000 for businesses with sales of $5 million or less. This government does not even know how to take advantage of a good idea. It just sits over there and does not act on this particular idea.

The government sees that must be the area that needs support and enhancement. Three weeks after debating it in this House, it has not done a thing in terms of making the public aware. Some will say it has not had Royal Assent. I have seen dozens of initiatives in this House where the government has spent taxpayers' money promoting initiatives on second reading. Why will it not do that when it comes to small business?

When you have an initiative like that and you miss the opportunity, it makes me very suspicious of the real intent of that particular piece of legislation. Perhaps it was meant to be a bit of packaging in a budget. When it comes to having the actual law tested, it is not working.

I am disturbed about this. In the last two weeks in my own community, and I have heard from other communities across the country, people are going into their banks and they are not having any luck in getting any support from the Small Businesses Loans Act. I said three weeks ago that I am going to be on this issue until the government does something about it. I cannot for the life of me figure it out.

Going back to the NDP resolution, we have listened to New Democrats speak here today. Where is the thrust in their plan for small business? I will tell you.

• (1745)

They could not even come up with a thrust for small business. In the province of Ontario just six months ago, against the wishes of 95 per cent of the small business community, they introduced Bill 40 which practically crushed the spirit of most small businessmen in the province of Ontario. There is a little bit of a contradiction. In other words, in the province of Ontario they bring in their Bill 40 which works against the spirit of small business. They are being consistent today by not really living up to a concrete thrust.

Let me go back to the actual words in this legislation where they talk about abrogating the Canada-U.S. free trade deal. Where are we coming from? When you have a trading relationship of almost $240 billion would you not give the trading partner some benefit of the doubt that you had enough intelligence and enough give and take in your negotiations that some of the things that were meaningful for us as a country might be sold or might be implemented in terms of their attitude?

It is just like writing off the Americans as if they do not care, that they are closed-minded. It would be totally irresponsible for us with a deal which since it was signed has involved almost $500 billion in trade. Do you just want to walk away from it without saying let us get down to the table here and talk about the aspects of this deal which are not working for Canadians?

The Acting Speaker (Mr. DeBlois): It being 5.45 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply, pursuant to Standing Order 81(14).

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. DeBlois): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

The House divided on the amendment, which was negatived on the following division:

(Division No. 432)

YEAS

Members

Allmand
Bellemare
Boudria
Catterall
Duhamel
Finestone
Fontana
Gaffney
Gray (Windsor West)
Keyes
MacLaren
Marleau
Milliken
Nault
Proud
Stewart
Assad
Bevilacqua
Campbell (South West Nova)
Dionne
Ferguson
Flis
Foster
Gauthier
Harvard
Kilgour (Edmonton Southeast)
Manley
Mifflin
Mills
Peterson
Speller
Vanclief—32

NAYS

Members

Althouse
Angus
Attewell
Belsher
Bertrand
Blackburn (Brant)
Blais
Bosley
Brewin
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cooper
Corbett
Couture
Darling
de Jong
Desjardins
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Gardiner
Greene
Guilbault
Halliday
Harvey (Edmonton East)
Hockin
Horner
Hovdebo
Jelinek
Joncas
Kempling
Landry
Larrivée
Lewis
Lopez
MacWilliam
Martin (Lincoln)
McCreath
McKnight
McLean
Monteith
Murphy
Oberle
Paproski
Plourde
Reid
Ricard
Robitaille
Roy-Arcelin
Samson
Scott (Victoria—Haliburton)
Skelly (North Island—Powell River)
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vézina
Vincent
Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy
Andre
Atkinson
Beatty
Bernier
Bjornson
Blaikie
Blenkarn
Bouchard (Roberval)
Brightwell
Cardiff
Chadwick
Chartrand
Clifford
Collins
Corbeil
Côté
Crosbie (St. John's West)
de Cotret
Della Noce
Dick
Dorin
Edwards
Fee
Fisher
Fretz
Funk
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hawkes
Holtmann
Horning
Hudon
Johnson
Jourdenais
Kristiansen
Langdon (Essex—Windsor)
Layton
Littlechild
MacDougall (Timiskaming—French River)
Marin
Masse
McDermid
McLaughlin
Mitchell
Moore
Nicholson
O'Kurley
Parker
Redway
Reimer
Riis
Rodriguez
Saint-Julien
Schneider
Scott (Hamilton—Wentworth)
Skelly (Comox—Alberni)
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Venne
Vien
Wilbee
Young (Beaches—Woodbine)—139

Supply

PAIRED MEMBERS

MacLellan	Nowlan
Shields	Winegard

• (1815)

The Acting Speaker (Mr. DeBlois): I declare the amendment lost. The next question is on the main motion. All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

(*Division No. 433*)

YEAS

Members

Althouse	Angus
Blackburn (Brant)	Blaikie
Brewin	de Jong
Fisher	Funk
Gardiner	Harvey (Edmonton East)
Hovdebo	Kristiansen
Langdon (Essex—Windsor)	MacWilliam
McLaughlin	Mitchell
Murphy	Parker
Riis	Rodriguez
Samson	Skelly (North Island—Powell River)
Skelly (Comox—Alberni)	Young (Beaches—Woodbine)—24

NAYS

Members

Allmand	Andre
Assad	Atkinson
Attewell	Beatty
Bellemare	Belsher
Bernier	Bertrand
Bevilacqua	Bjornson
Blais	Blenkarn
Bosley	Bouchard (Roberval)
Boudria	Brightwell
Campbell (South West Nova)	Campbell (Vancouver Centre)
Cardiff	Casey
Catterall	Chadwick
Champagne (Champlain)	Chartrand
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cooper	Corbeil
Corbett	Côté
Couture	Crosbie (St. John's West)
Darling	de Cotret
Della Noce	Desjardins
Dick	Dionne
Domm	Dorin
Duhamel	Duplessis
Edwards	Epp
Fee	Feltham
Ferguson	Ferland
Finestone	Flis
Fontaine	Fontana
Foster	Fretz
Friesen	Gaffney
Gauthier	Gray (Bonaventure—Îles-de-la-Madeleine)
Gray (Windsor West)	Greene
Grey (Beaver River)	Guilbault
Gustafson	Halliday
Harvard	Hawkes
Hockin	Holtmann
Horner	Horning
Hudon	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Keyes	Kilgour (Edmonton Southeast)
Landry	Larrivée
Layton	Lewis
Littlechild	Lopez
MacDougall (Timiskaming—French River)	MacLaren
Manley	Marin
Marleau	Martin (Lincoln)
Masse	McCreath
McDermid	McKnight
McLean	Mifflin
Milliken	Mills
Monteith	Moore
Nault	Nicholson
Oberle	O'Kurley
Paproski	Peterson
Plourde	Proud
Redway	Reid
Reimer	Ricard
Robitaille	Roy-Arcelin
Saint-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Sobeski	Soetens
Sparrow	Speller
Stevenson	Stewart
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Vanclief
Van De Walle	Vankoughnet
Venne	Vézina
Vien	Vincent
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Worthy—147	

PAIRED MEMBERS

MacLellan	Nowlan
Shields	Winegard

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare the motion lost.

• (1825)

CANADA POST CORPORATION ACT

MEASURE TO AMEND

The House resumed from Thursday, March 11, 1993, consideration of the motion of Mr. Andre that Bill C-73, an Act to amend the Canada Post Corporation Act, be read the third time and passed.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 45(6), the House will now proceed to the taking of the deferred division on the motion for third reading of Bill C-73, an Act to amend the Canada Post Corporation Act.

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

(Division No. 434)

YEAS

Members

Andre
Attewell
Belsher
Bertrand
Blais
Bosley
Brightwell
Cardiff
Chadwick
Chartrand
Clifford
Collins
Corbeil
Côté
Crosbie (St. John's West)
de Cotret
Desjardins
Domm
Duplessis
Epp
Feltham
Fontaine
Friesen
Greene
Guilbault
Halliday
Hawkes
Holtmann
Horning
Jelinek
Joncas
Kempling
Larrivée
Lewis
Lopez
Marin
Masse
McDermid
McLean
Moore
Oberle
Paproski
Redway
Reimer
Robitaille
Saint-Julien
Scott (Victoria—Haliburton)
Sobeski
Sparrow
Tardif
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Atkinson
Beatty
Bernier
Bjornson
Blenkarn
Bouchard (Roberval)
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Cooper
Corbett
Couture
Darling
Della Noce
Dick
Dorin
Edwards
Fee
Ferland
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hockin
Horner
Hudon
Johnson
Jourdenais
Landry
Layton
Littlechild
MacDougall (Timiskaming—French River)
Martin (Lincoln)
McCreath
McKnight
Monteith
Nicholson
O'Kurley
Plourde
Reid
Ricard
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Soetens
Stevenson
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Van De Walle
Vézina
Vincent
Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—114
Vankoughnet
Vien
Wilbee

NAYS

Members

Allmand
Angus
Bellemare
Blackburn (Brant)
Boudria
Campbell (South West Nova)
de Jong
Duhamel
Finestone
Flis
Foster
Gaffney
Gauthier
Harvard
Hovdebo
Kilgour (Edmonton Southeast)
Langdon (Essex—Windsor)
MacWilliam
Marleau
Milliken
Mitchell
Nault
Peterson
Riis
Samson
Skelly (Comox—Alberni)
Stewart
Venne
Althouse
Assad
Bevilacqua
Blaikie
Brewin
Catterall
Dionne
Ferguson
Fisher
Fontana
Funk
Gardiner
Gray (Windsor West)
Harvey (Edmonton East)
Keyes
Kristiansen
MacLaren
Manley
Mifflin
Mills
Murphy
Parker
Proud
Rodriguez
Skelly (North Island—Powell River)
Speller
Vanclief
Young (Beaches—Woodbine)—56

PAIRED MEMBERS

MacLellan
Shields
Nowlan
Winegard

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. DeBlois): It being 6.31 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Tuesday, March 16, 1993

The House met at 10 a.m.

Prayers

[*Translation*]

PRIVILEGE

ALLEGED COMMENTS OF MEMBER FOR ROSEMONT

Mr. Gilles Bernier (Beauce): Mr. Speaker, I wish to bring to the attention of the House some comments made by the hon. member for Rosemont in referring to members of the Speakership of the House of Commons.

According to the March 14 edition of *Beauport–Express*, a weekly newspaper, the hon. member for Rosemont said the following at a public meeting held recently in the town of Beauport, and I quote: "Charles DeBlois, one of the acting Speakers of the House, is a party to collusion to restrict our party's right to speak in Ottawa".

Although these comments were made outside the House, they nevertheless cast doubts on the integrity and impartiality of the Speakership.

All parliamentarians have a profound respect for the Speakership as an institution. Bearing that in mind, Mr. Speaker, I ask you to order the hon. member for Rosemont to withdraw these comments immediately and present his apologies to the members of the Speakership.

Mr. Speaker: I listened with some concern to what was said by the hon. member for Beauce. Since the hon. member for Rosemont is not here, this morning, in the circumstances it would perhaps be appropriate for the Speaker to meet the hon. member for Rosemont, after which the matter could be pursued in the House.

ROUTINE PROCEEDINGS

• (1010)

[*English*]

WITNESS PROTECTION ACT

MEASURE TO ENACT

Mr. Tom Wappel (Scarborough West) moved for leave to introduce Bill C-413, an act to provide for the relocation and protection of witnesses.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Wappel: Today in Canada there is no legislated program to aid informants and witnesses and their families from reprisal by criminals. What programs there are are secret, arbitrary and unaccountable to the people of Canada who pay the costs.

My bill would create a legislative framework to protect witnesses and their families, including relocation, identity change and financial assistance. It would also spell out the witnesses' responsibilities to the justice system.

This bill would aid in the prosecution of violent crime, organized crime and drug-related crime, while protecting the lives of informants, witnesses and their families all under the mandate and watchful eye of the Parliament of Canada.

The Acting Speaker (Mr. DeBlois): Mr. Wappel moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

Routine Proceedings

PEACE TRUST FUND ACT

MEASURE TO ENACT

Mr. Ray Funk (Prince Albert—Churchill River) moved for leave to introduce Bill C-414, an act respecting the establishment of a peace trust fund.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Funk: It gives me pleasure to introduce this bill to the House with the support of the hon. member for Victoria.

This bill would permit individuals who object on conscientious grounds to paying taxes that might be used for military purposes to direct that the amount equivalent to a prescribed percentage of the income tax they pay for military purposes in a particular year be diverted to a peace trust fund established by this bill.

The principle of conscientious objection has a long and honourable history dating back to the reformation. However, in this era of high-tech warfare many conscientious objectors, many of them members of the historic peace churches such as Quakers, Mennonites and others, believe that their tax dollars serve as surrogates for physical participation in military activities. They are thus seeking a legal avenue to contribute their tax dollars to other means of seeking peace in the world.

I believe this is a timely piece of legislation because even those who do not personally accept a conscientious objection position are becoming increasingly aware of the limitations of military solutions to problems like those in Bosnia and Somalia.

This legislation would end the present unacceptable situation where otherwise law-abiding citizens are running afoul of Revenue Canada with serious consequences for themselves and their families merely for exercising their profoundest beliefs with regard to participation in war and military activities.

The Acting Speaker (Mr. DeBlois): Mr. Funk moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

PETITIONS

COMMUNICATIONS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my first petition is from petitioners who are anxious to make sure that Parliament scrutinizes very closely the language used on both radio and television. They are also concerned about acts of violence on television, particularly in a society such as ours where it would appear as if violent acts are becoming increasingly frequent.

The petitioners point out that what occurs in the media, that is on radio and television, with respect to inappropriate language and violence does in fact counter some of the efforts being made in the family. They also underline that it is not necessary to use inappropriate language or acts of violence to entertain or to inform.

• (1015)

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the other petition is from the Canadian Federation of Students from Saskatchewan.

Their sentiments I believe are shared by students all across the country. They denounce the government's policies with respect to education, the 3 per cent tax on student loans and the additional six months' interest. They want a fair system of student aid. They are really quite concerned about the current program that the government has advanced, particularly with respect to sharing the risk with the banks.

The petitioners want to know who is going to be eligible. Who is going to set up the eligibility requirements and what role will the banks have in this particular process?

THREE GORGES DAM PROJECT

Mrs. Christine Stewart (Northumberland): Mr. Speaker, pursuant to Standing Order 36, I have the honour today to present a petition concerning the Three Gorges dam project in China.

Because of the serious environmental impact of such a project and the fact that such a project would displace over one million people, the petitioners call upon the government to pass necessary legislation to prevent any further involvement by the Government of Canada in the Three Gorges dam project. They also ask that the government refuse to participate in or provide technical assistance, loans, grants, guarantees or subsidies in any

form for any aspect of the Three Gorges dam project from this day forward.

[*Translation*]

REQUEST FOR ELIMINATION OF VIOLENCE IN OUR SOCIETY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I would like to table a petition from residents of Dubuisson, Val-d'Or, Malartic, Senneterre, Vassan, Val-Senneville, Sullivan and La Motte in the riding of Abitibi who say that films depicting violence on television are dangerous and therefore unacceptable because they act as a stimulus for violent behaviour.

The petition also says that all toys that incite children to play violent games are unacceptable and their manufacture should be banned. It is also pointed out that when acts of violence are reported, the freedom of the press should be restricted, and that the repeated broadcasting of news about acts of violence on television on all channels and on radio may act as a stimulus for further identical violent behaviour.

Therefore, your petitioners humbly pray and call upon Parliament to pass the appropriate legislation in order to eliminate violence in our society and thus protect our children and give all citizens a better quality of life.

[*English*]

WATER DIVERSION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition on behalf of a number of residents of British Columbia. They indicate their opposition to a plan by Multinational Resources Inc. which has the support of a number of American companies. The intention is to divert up to one million acre-feet of water from the North Thompson River, which is a tributary of the Fraser River, into the Columbia River basin and through a number of different basins until it gets into the Sacramento River basin on its way to southern California.

The petitioners figure this would generate profits in the range of $300 million annually to the firm. However because of the ecological consequences and the general concern that people have in terms of river diversion, the petitioners are asking that the Parliament of Canada take whatever steps are needed to ensure that this type of diversion would never occur.

BILL C-268

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a petition on a different matter which is signed by a number of residents from Alberta. They are asking us to recognize the point made in Bill C-268 entitled an act respecting a national solidarity day for the First Nations of Canada. They are asking that Parliament support this particular bill and this initiative to show solidarity and support for aboriginal people of Canada.

WITNESS PROTECTION PROGRAMS

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have 29 petitions I would like to present today, all on the same subject.

The petitions contain signatures of literally thousands of Canadians from all areas of the country on the subject of the fact that witness protection programs are a matter of policy only at the discretion of each individual police force. They also point out that because of that there is no unity or national consensus on this matter.

They therefore request that Parliament enact legislation to provide for an act to protect witnesses. In one respect this was the reason I brought forward my private member's bill earlier today.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the following question will be answered today: No. 367.

[*Text*]

Question No. 367—**Mr. Belsher**

Have any public servants who have been offered early retirement and or a severance package been subsequently rehired on contract and, if so, (a) how many (b) at what cost (c) what is the estimated cost had these individuals been retained?

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): For fiscal year 1991-92, for

yes, (a) 93 (b) $1,577,103 (c) $3,041,456 approximately (excludes employee-paid benefits).

[*English*]

The Acting Speaker (Mr. DeBlois): The question as enumerated by the parliamentary secretary has been answered.

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

• (1020)

Mr. Boudria: Mr. Speaker, the parliamentary secretary, or at least his colleague, will know that I have privately been asking for approximately the last two months to have three questions in my name answered. Some of them are over six months old and they are all pursuant to the 45-day provision which governs us as members.

I would like to be able to count on the assistance of the Chair if the government continues to refuse to answer the questions in the manner prescribed by the rules of this House.

It seems to me that after six months of waiting for a 45-day answer that there should be some redress available to some of us. The questions I asked are in no way complicated. One of them concerns the cost of an airline ticket for the Prime Minister. That information would take all of about 30 seconds for the government to research.

It is my hope that all three questions that are waiting will be answered shortly. I received a commitment from the parliamentary secretary to the government House leader some weeks ago that in fact he was doing some research and he was led to believe that pursuant to briefing notes provided to him by the Privy Council Office the answers would be forthcoming.

Every day he tells me they are forthcoming but they never get here.

Mr. Cardiff: Mr. Speaker, I will look into the matter for the hon. member and get back to him as soon as possible.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

FARM CREDIT CORPORATION ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-95, an act to continue the Farm Credit Corporation and to repeal certain acts in consequence thereof, as reported (with an amendment) by a legislative committee.

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): There are 13 motions in amendment on the Notice Paper for report stage of Bill C-95, an act to continue the Farm Credit Corporation and to repeal certain acts in consequence thereof.

Motions Nos. 1, 6 and 11, standing in the name of the hon. member for Moose Jaw—Lake Centre, are identical to Motions Nos. 3, 7 and 12. After consultation, Motions Nos. 1, 6 and 11 will not be selected.

[*Translation*]

Motion No. 2, standing in the name of the hon. member for Algoma, will be debated and voted on separately.

Motion No. 3, standing in the name of the hon. member for Prince Albert—Churchill River, is identical to an amendment moved and rejected in committee. Consequently, Motion No. 3 will not be selected.

[*English*]

Motions Nos. 4 and 10, standing in the name of the hon. member for Algoma, and Motion No. 12, standing in the name of the hon. member for Prince Albert—Churchill River, will be grouped for debate and voted on as follows:

[*Translation*]

Motion No. 4 will be voted on separately.

An affirmative vote on Motion No. 10 obviates the need for a vote on Motion No. 12. A negative vote on Motion No. 10 requires a vote on Motion No. 12.

[*English*]

Although the wording of Motion No. 5, standing in the name of the hon. member for Algoma, and Motion No. 7, standing in the name of the hon. member for Prince Albert—Churchill River, is different the intent is the same, and that is to ensure that the membership of the board shall at all times include a majority of farmers. Therefore, I shall not select Motion No. 7. Motion No. 5 will be debated and voted on separately.

[*Translation*]

Motions Nos. 8, 9 and 13, standing in the name of the Minister of Agriculture, are motions of a technical nature that affect one version only. They will therefore be grouped for debate, and the vote on Motion No. 8 will apply to Motions Nos. 9 and 13.

[*English*]

MEASURE TO AMEND

Mr. Maurice Foster (Algoma) moved:

Motion No. 2

That Bill C-95 be amended in Clause 4 by striking out lines 13 and 14 at page 2 and substituting the following therefor:

"farming operations, including family farms, and to those businesses in rural Canada, including small or medium-sized businesses, that are related to farming."

• (1025)

He said: Mr. Speaker, the amendment which I am putting today, Motion No. 2, really identifies that loans made and that this bill really applies to family farms and medium and small-sized businesses in rural areas relating to farming. The original clause did not specify that. It simply talked about farming and businesses engaged in farming in rural areas.

One of the most attractive parts of Bill C-95, the Farm Credit Corporation Act amendments, deals with the further processing of agriculture commodities in this country and extends the authority of the Farm Credit Corporation to make loans relating to the food processing industry and further processing of agriculture commodities.

This has clearly been one of the greatest failures of this government. Since 1989 when the free trade deal was signed, we have seen a massive depopulation of the food processing industries. Over a hundred plants across the country have closed and some 34,000 jobs have been lost. I guess it is better late than never, and so we are glad to see the government bringing forward these amendments to the Farm Credit Corporation Act but this is clearly a major failure. This is an area where a new government will have to take immediate steps to salvage the further processing industry in this country, because if we do not have further processing we do not have the markets.

This amendment is designed to indicate that loans made are for family farms and for small and medium-sized businesses.

The section in the act now reads:

The purpose of the corporation is to enhance rural Canada by providing specialized and personalized financial services to farming operations and to those businesses in rural Canada that are related to farming.

This amendment just adds family farms and small and medium-sized businesses because that is the sector where we think there is the most opportunity not only for further processing of agriculture commodities but also the creation of jobs in rural Canada.

We have seen some 13,000 farmers leave rural Canada in the last four or five years. With them leaving, the infrastructure of rural Canada is likewise diminished. This amendment is designed to strengthen that aspect, the idea of family farm operations and small and medium sized businesses.

Right across the country today there is grave concern as to whether this bill will make any difference. The bill is generally a good bill. It provides for a much more flexible Farm Credit Corporation. It removes limits on expenditures and allows for flexible arrangements with regard to agreements.

• (1030)

The basic question that Canadian farmers are asking is: Will it make any difference? Will there be any more money? If we look at the estimates that were presented a couple of weeks ago we can see that over $600 million has been reduced in the estimates. Regardless of how good a structure the FCC is, if the government's political will is not there to support rural Canada and support rural industry then it will not make any difference.

We see estimates that the net farm income across the country will be reduced by some $1 billion in this coming year and the estimates are being chopped by over $600 million in this year. That leads one to believe that things

in rural Canada are not going to get better, they are only going to get worse.

That is the concern right across rural Canada. Regardless of how good a bill we fashion or put in place, the question is: Will the government provide the funding, the finances to make this legislation, Bill C-95, work? Without additional funding it will not be any better than the existing Farm Credit Corporation even though the mechanics and the facilities will be in place to improve it.

There is some concern in some groups. Some of the prairie wheat pool groups have expressed their concern that if an additional amount of money is going to be provided through this legislation for further processing and activities beyond the farm gate, will that mean there will be less funding for farm loans for the primary producers? Those questions when put to the parliamentary secretary or the officials of the Farm Credit Corporation really get no response. We have no idea whether or not there will actually be any additional funding for those further processing plants beyond the farm gate.

This amendment further defines that we are interested in funding and supporting the family farm and that we are primarily concerned with small and medium sized businesses. We are not concerned with bankrolling or even having the massive kind of vertical integration that has happened in the United States.

Last night I had an opportunity to again review the CBC program concerning the poultry industry in the United States. In the United States there are big companies like the Tyson company, which produces 25 per cent of all the poultry meat in the United States. We clearly do not want to see that kind of activity enhanced in this country, whether it is coming from the U.S. or it is being designed here.

We want to see efficient medium sized industries that live in the community and do not treat primary producers and farmers as serfs living on their land, but are independent farmers contributing to their community, producing quality, producing efficiently, and making not only a contribution to the world food supply but within their community.

The kind of vertical integration that we have seen in the U.S. and some other countries is clearly not the model that we have had in this country. If we have had any genius in this country it has been the system of supply management and the system of orderly marketing, such as the Canadian Wheat Board, in which the farmer, the primary producer, who is the most important link in the whole food production chain, is given power. He is given power through the Canadian Wheat Board to amalgamate with the several hundred thousand prairie agriculture producers to be able to market on a world scale with one of the best marketing organizations in the world. Likewise in our supply management, producers are able to bargain and have power in the marketplace to deal with the large dairy, poultry or whatever sector it is. This amendment is really designed to ensure that these funds are made available for the family farm, for small and medium sized farm businesses relating to primary production.

• (1035)

I hope the government will accept this motion. We had a similar one in its committee and the government voted it down in, its usual inimitable style of voting down every amendment that comes forward from the opposition. I hope it will accept this one.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I am pleased to be able to participate in this debate, especially in the discussion of Motion No. 2 which would amend clause 4 to designate that the purpose of the bill is to provide money for farming operations, including family farms and those businesses in rural Canada including small or medium sized businesses that are related to farming.

I note that both the hon. member from Moose Jaw and myself have very similar motions standing in our names. Thus it is quite obvious that we support the gist of Motion No. 2.

I might also note that the bill as it stands now merely makes reference to farming operations and those businesses in rural Canada that are related to farming. The critical difference between what is in the bill as proposed by the government and this motion is that we are talking about family farms and small and medium sized businesses.

It is a very critical distinction, given the stage of development of agriculture today. We are at a watershed in the agriculture community, in the rural community, with respect to whether the production of food will continue to be based on a rural model, on a family farm model or whether the production of food will gravitate toward production by large corporations which are alien-

ated from the family farm structure and the rural communities as we have traditionally known them.

In general this is an acceptable bill, a useful bill. It provides more flexibility for the Farm Credit Corporation. It provides new ways of doing things for the corporation which could in fact be very useful.

Two questions have to be answered, one concerning resources and the second concerning the philosophy of the corporation. The previous speaker indicated that the estimates outline a spending regime where there will be $600 million less available for agricultural purposes in the upcoming year. Therefore it becomes very critical where the government will allocate these scarce resources.

The government has a choice of allocating these resources to the maintenance of the family farm and the small businesses that support our rural communities, investing its money to enhance the secondary processing, the value added activities in those communities based on a local community model, or choosing to proceed with financing all sorts of agribusiness concerns, such as large corporations which could supplant and replace the family farming model.

Certainly there are enough examples in North America today of the scale and scope to which some of these corporations can grow. In my own province we have seen an example in the Kindersley area where one organization, something of a phantom organization in that it was never clearly identified who it was, proposed to buy over 100 sections of land in one community.

As this bill reads now it is entirely conceivable that the Farm Credit Corporation could get involved in lending to organizations of that scale.

As well under the free trade agreement and the upcoming NAFTA agreement there is tremendous pressure on processors to adopt economies of scale that are far beyond anything that has ever been envisaged in this country before.

It is also possible under this legislation for the Farm Credit Corporation to be involved in financing those kinds of operations which would in fact create a very fundamental change in how we process food in this country.

• (1040)

Therefore I think this is a motion that is worth adopting. In fact it should be adopted to make it very clear that the intent of this Parliament and the people of Canada is to perpetuate the family farm model, the rural development model and the small community model that we have traditionally known. It is not the intent of this Parliament and the people of Canada to finance a massive takeover of the family farm and the infrastructure that supports it by large multinational corporations.

Also, this motion gives a clear indication of the philosophy which the government intends to pursue. I believe, and my party believes, the model that includes the family farm, organizations like co-operatives, rural development corporations and rural development authorities are the appropriate models to use to build on our past successes. We have done a good job, both of producing quality food at a reasonable price and in organizing that production in such a way as to have maximum benefit for rural communities and to maintain a maximum number of family farm units.

However, it is very questionable whether this will continue into the future. It is not guaranteed that the family farm model and the rural development model will continue into the future because the pressures being brought to bear on that community are very strong indeed. It is going to be very much a matter of whether the government commits its resources to one course of action or the other that will determine how agriculture evolves in this country.

My party has proposed, with respect to the Farm Credit Corporation, that it should do a number of things differently than it has done them in the past.

First, it should provide low interest loans to farmers at fixed rates over long periods of time. Second, it should provide leasing options to individual farmers to permit the leasing of farmland over an extended period of time to guarantee tenure to farmers without needing to borrow money every generation in order to maintain a family farm unit within a particular family. Third, I believe that the Farm Credit Corporation should be proactive in developing new forms of farm tenure like community land trusts in order to create new options for beginning farmers and farmers trying to maintain their operations.

At the present time, the Farm Credit Corporation is actively disposing of land all over this country, normally to the highest bidder. In many cases it is a destructive force in a rural community. At the present time, the Farm Credit Corporation within its mandate really does not have much of an option as to how to proceed.

However, the co-operatives in this country, particularly the Saskatchewan Wheat Pool, organizations like the Christian Farmers and others have proposed that we badly need a new form of land tenure, known as community land trusts. An organization, a group of farmers or members would hold land in trust in perpetuity and make their own decisions as to who should continue to farm that land. In other words, the control of who is farming land in a particular community would continue to reside within that community.

It is my belief and that of my party that the Farm Credit Corporation should be in a position to work with provincial governments and other organizations to perpetuate the kind of farm tenure and to make it not only possible but desirable to proceed in that kind of a way.

In summation, it is important we adopt this motion, both to provide direction as to how the scarce resources that the Farm Credit Corporation has will be allocated and also to give a clear signal that the people of Canada wish to perpetuate the family farm model, the co-operative model and the locally based community development model in organizing its food production for generations to come.

• (1045)

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I would like to spend just a moment speaking on the amendment to Bill C-95 which is listed as Motion No. 2.

Essentially the motion is attempting to make some minor changes to the purpose of the bill which currently states that the purpose of the corporation is to enhance rural Canada by providing specialized and personalized financial services to farming operations and to those businesses in rural Canada that are related to farming.

The amendment that has been proposed in Motion No. 2 would clarify what sorts of businesses are being focused on by this newly mandated corporation. It says that these farming operations would include family farms and those businesses in rural Canada, including small or medium sized businesses that are related to farming.

This is an excellent amendment. The corporation has to be focused on the small and medium sized businesses in rural communities. They are virtually 100 per cent of the businesses in rural communities in Canada today. We know by looking at the statistics of job creation across the land that over 90 per cent of the jobs that were created in the past number of years were created by those very small and medium sized businesses. So I think there is some advantage in terms of job creation and keeping communities viable to have as a mandate for the Farm Credit Corporation the focus of small business and medium sized businesses as well as the family farm.

However, when I look at the kind of rural communities that I know, and particularly in my home province, but as I go across rural communities right across the country, and I get to quite a few of them, I note that a great many of those communities depend in part for their business expertise and the methodology of doing business on the co-operative movement. It seems to me that a new and vibrant Farm Credit Corporation cannot be restricted in the nature of the small and medium sized business loans that it indulges in and that its purpose should also include the co-operatives.

Therefore I would like to include the words "and co-operatives" in Motion No. 2. I move:

> That Motion No. 2 be amended by adding in line 3, following the words "medium sized business" the words "and co-operatives" in the English text, and in the French text in line 5 of Motion No. 2 following the word "entreprise" the words "et les coopératives".

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare the amendment in order.

• (1050)

[*English*]

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, it is a privilege to stand today to make a few comments on Bill C-95, and in particular on the amendment of my colleague from Algoma that is being amended to a further extent.

I would like to say from the start that for the most part the bill before us will be beneficial or has the potential of being beneficial to the agricultural community. However it is very important that the amendment before us gets passed. I am not so sure about the amendment to the amendment, but I am about the original amendment and its intent.

With the changes this bill makes to the board of directors of the Farm Credit Corporation we suffer the possibility of a lack of direct connection with the industry and the direction in which the Canadian agricultural industry and the government may want the Farm Credit Corporation to go.

This amendment states very clearly that the purpose of the corporation is to enhance rural Canada by providing specific and personalized financial services to farming operations including family farms and to those businesses in rural Canada including small or medium sized businesses, et cetera. It gives definite direction.

As has been stated before many times, 97 per cent of Canadian farms are family owned and operated. The danger we have if we do not give more specific direction to the Farm Credit Corporation is that we could very easily fall into a situation that is so evident in the actions and sometimes unspoken word of the present government. The definite direction is that the emphasis falls on the bigger companies and its support falls to the bigger companies. I do not think that is the intention of the farm credit legislation but there is that danger.

We know that over 80 per cent of jobs in Canada in the last number of years have been created by small businesses and medium sized businesses including farms. We need to state that emphasis.

If ever there was a time when rural Canada needed some development in the short term so that it could continue to be strong in the long term, now is that time. Now is also the time when agencies such as the Farm Credit Corporation should be there to support structures and facilities within rural Canada, whether they be farmer owned, local owned, co-ops, or a group of farmers or local business people going together to establish a facility for value added products. Now is the time.

We can give specific direction to the Farm Credit Corporation that this is the area we want it to concentrate on. We can make that message very clear. Whether it is Farm Credit Corporation or whatever it is, we do not any longer have an unlimited supply of funds. We must make sure those funds are priorized in the proper way and properly directed and that the emphasis of that expenditure is put there.

In order to have a strong agrifood industry I hope there is no question in anyone's mind that we must have strong, economically viable family farm units because that is the backbone of the industry.

However with the difficulty today of getting more money out of the world price for those raw products, a direction I find refreshing coming from the rural community is that those primary producers are realizing they have to get involved at some of the next stages with what happens to their natural resources or raw products. That realization is there. That support therefore must come from government in order to help them to attain that and it must come from the Farm Credit Corporation in order to help them put those instruments of value adding in place. If we cannot get any more from the world price, let us say for grain, probably one of the ways to go is to develop that into ethanol or in the case of canola, for example, there is some great work being done now to make diesel fuel using canola oil as a base.

• (1055)

This is where rural development can take place in order to allow rural communities to get more money out of the final marketplace and in order for this development to stay in those communities. By doing so, we will create jobs, we will keep our communities together, we will keep that social fabric and fibre together throughout rural Canada and we will have a better blend of rural and urban people.

We know that in many rural areas now there is not that distinct line between a farm community and an urban community. We are getting a mixture of the two in what we refer to as a rural-urban community. They need to and they can get along together, but there has to be interests and gains there for both.

I hope that the government will see fit to accept this amendment so that it makes it very clear to rural Canada, to rural-urban Canada and to the Farm Credit Corporation the direction in which we feel their expenditures should concentrate. It certainly does not prohibit the other, but it makes it clear that this is really where we want the effort to be made.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to speak on report stage of Bill C-95 which is an act to repeal the Farm Credit Act and replace it with the Farm Credit Corporation Act.

This bill will expand the financial services to farm businesses diversifying beyond the farm gate. It is really permissive legislation since it sets out the rules under which the Farm Credit Corporation must operate.

There are several areas which are quite different as we compare this bill with the act that it will replace. There are two areas of concern to me. One of those is addressed in the amendment submitted in the name of the member for Algoma. While the financing alone must be for operations in Canada, I also note that the new legislation does not require that the applicants be Canadian citizens.

The new legislation will permit FCC to provide a loan to a business located off the farm within the rural sector as long as the inputs and outputs of the diversified operation are clearly identifiable. It could be for anything.

The amendment put forward for farming operations includes family farms and businesses in rural Canada, including small and medium sized businesses related to farming. The subamendment put forward by the member for Mackenzie to include co-operatives is also a very positive step.

This legislation puts the corporation in competition with chartered banks and the new provisions under the Small Businesses Loans Act which charges an interest rate of 1.5 per cent over prime and has a ceiling of $250,000. As we look at this new legislation we wonder if this is the first step toward privatization of the Farm Credit Corporation.

We admit that there are some aspects of the legislation that require special consideration that would cover for example a farm owned and operated seed cleaning plant or processing plant for livestock and poultry slaughter and processing or a small farm scale ethanol plant to supplement a feedlot operation. In some areas of this country such operations would certainly be of benefit to those respective communities.

I must caution however that such endeavours are not always a success. A local poultry operation in southwestern Ontario set up a state of the art poultry processing plant a few years ago at a cost of $500,000. They discovered to their dismay that they could not penetrate the market except for individual private sales prior to the holiday season. They suffered huge losses. The plant now operates only a few weeks out of the year.

• (1100)

The government seems to want to continue tinkering with the massive problems facing Canadian agriculture today. In fact, the new president of the Canadian Federation of Agriculture said: "This government refuses to acknowledge that there is a problem".

The president of the Ontario Federation of Agriculture stated at a rally in Lucknow, Ontario: "Farmers are upset, farmers are worried and Canadian farmers are indeed very angry".

Just recently the chairman of the Ontario Farm Debt Review Board said he fears he is going to be "a very busy man this spring". A well-known farm consultant stated that the Farm Debt Review Board has simply become a very sophisticated collection agency.

The February 1993 brief submitted by the Roman Catholic Agriculture Co-Ordinating Committee established by the Catholic bishops of Saskatchewan stated: "What is happening globally is that basic food production is no longer the principal goal of the agricultural system. It is increasingly geared to support agribusiness processors, retailers and intermediaries, whether at the international or at the national level".

I note that this legislation has no upper limit as to the size of loans that can be received. I hope that we will be looking at this amendment in a positive light. We will be looking at this amendment to ensure that the focus of this government is redirected back to the family farm operations which have made this country one of the best in terms of agriculture production, of efficiency and the quality and supply of food that is available to our people at a very reasonable price.

I do not believe that the whole bill is going to address the problem of what is happening in Canadian agriculture today. While aspects of the bill are quite positive, as I indicated, I should point out that it does not address the basic problem of income for individual farmers, income that is so sorely needed in the grains and other sectors of

agriculture that do not have their systems of supply management or systems of planned production in place.

If he is going to survive, the farmer too has to have a return on investment, management, labour and risk. Therefore I submit that we should support this amendment. We trust the government will ensure that it is passed. We hope that it will ensure that the subamendment is also supported. I believe it will be the small community-based co-operatives that will have to build these small processing plants in order to add the value added products that will be required, whether in processing or new development or, if we have to diversify in parts of Canada, in the direction of specialized species of woodlands and provide the funding to the sawmills and the processing plants that go with them.

I believe that we have to get on with the bill. I call on the government to support the amendment and the subamendment so that we can put this in place and get on with issues in this House that are going to improve the income of Canadian farmers and enable them to pay back and service the loans provided to them by this institution, the Farm Credit Corporation, as well as the other lending institutions across Canada.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am very pleased to rise and make a very few short comments on Bill C-95 in response to some of the concerns raised by my colleagues when speaking about this legislation.

It is unfortunate that some feel that this is not positive legislation. From the information that I have from feedback from constituents in my riding as well as right across Canada, it is viewed as positive legislation, as it is viewed by the officials of the Farm Credit Corporation because it provides them with new tools to hopefully better fulfil their mandate and make their work that much easier. Agriculture sectors have come forward on a positive note as well, looking at it as something new to help them meet the challenges that we are facing in this current year, the nineties, and to the year 2000 to help us better prepare for the future.

• (1105)

This is positive legislation that is being awaited. The farmers are waiting in anticipation of speedy passage of the legislation with the hope that this legislation will be in place for this current year, this spring planting season, in order for them to do their proper planning.

One speaker raised the concern of inadequate funding. I have to point out that since we formed the government, the FCC has been provided with adequate funding to meet the lending requirements in that period of time.

Before I came to the House of Commons there were times when the FCC did run short of funding and could not fulfil its mandate or the requests for the period of its fiscal year. It is certainly our intention to allow the FCC the funding that is necessary. It can go to the market to borrow its requirements and be very prudent while doing that. As well it should try to get the best deal in order to provide the corporation with the lowest cost money possible.

Some say that the legislation does not really address all the needs. I do not believe the FCC legislation is to address all of the problems that agriculture is finding at these times. There are external incidents that are making it more difficult for farming such as the lack of a GATT agreement and what other countries are doing with the prices of grains and oilseeds. That is why we brought in GRIP, NISA and crop insurance. We have tried to give the farmers, industries, the lending institutions, all of those, the security that is necessary for proper planning.

We believe that a GATT agreement would be one of the most positive things that would help in the long term, but in the short term as we have said before we have put safety nets in place to help meet those obligations.

There is no question that this new legislation allows the corporation the flexibility to lend to larger operations. I also want to point out that the FCC will continue to serve the needs of the family farm. In fact, the removal of the principal occupation stipulation will make it easier to lend to smaller farmers whose income is not primarily derived from the farm. We do have a commitment to the family farm and I just want to make it very clear that there is no change there.

I want to speak very briefly about the amendment to the motion which would add co-operatives to the motion. The terminology "small and medium sized businesses" and "businesses related to farming" already include the co-operatives in the purpose clause of the bill. For that reason we could not accept the amendment to the motion.

Going to the amendment, we feel it does make some clarification. The proposed amendment does not change the basic purpose of the bill. The government is willing to accept the amendment. I think those are all the comments I will make at this time.

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

Some hon. members: Question.

• (1110)

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

Mr. Cardiff: Point of order, Mr. Speaker. It was not clear. Are we calling the question on the amendment or on the amendment to the amendment?

The Acting Speaker (Mr. DeBlois): The debate is on Motion No. 2 in the name of the hon. member for Algoma, but the vote is on the amendment to Motion No. 2 in the name of the hon. member for Mackenzie. It is on the amendment. Is it clear?

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Amendment negatived.

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 2 standing in the name of the hon. member for Algoma.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Motion No. 2 agreed to.

[*Translation*]

Mr. Maurice Foster (Algoma) moved:

Motion No. 4.

That Bill C-95 be amended in Clause 4 by striking out line 18 at page 2 and substituting the following therefor:

"persons resident in Canada within the meaning of the Income Tax Act, Canadian citizens, or bodies, for the following pur-".

Motion No. 10.

That Bill C-95 be amended in Clause 8 by striking out line 23 at page 5 and substituting the following therefor:

"committee, a committee to review any decision made by the Corporation under paragraph 4(2)(a), or any other committees that the".

Mr. Ray Funk (Prince Albert—Churchill River) moved:

Motion No. 12.

That Bill C-95 be amended in Clause 8 by adding immediately after line 30 at page 5 the following:

"(3) The Board shall establish an advisory committee to review, at the request of any interested person, any decision made by the Corporation under paragraph 4(2)(a).

(4) For greater certainty, a decision made by the advisory committee established under subsection (3) shall not be binding on the Board or have the effect of altering or annulling any decision of the Board."

[*English*]

Mr. Foster: Mr. Speaker, I really appreciate the parliamentary secretary and the government accepting the first amendment. It was one strongly recommended by the Canadian Federation of Agriculture and the Ontario Federation of Agriculture who appeared before the legislative committee.

With regard to Motion No. 4, this motion simply says that when the government can make loans they should be made to Canadian citizens or Canadian residents. It does not preclude it from making loans to people who are not citizens of the country provided they are residents of the country. Some new Canadians who have not achieved citizenship are farming and this motion simply provides for that.

Looking at the amount of funds available, the parliamentary secretary was talking about how the government has always made money available to the FCC. The question is as to what interest rates are charged. If we look closely at what has happened to the FCC even since 1987, it is pretty dramatic. The number of loans out there has dropped from 72,000 to 59,000. That just about parallels exactly the number of farmers we have lost during that period which is some 13,000.

• (1115)

I suggest that the government's tight-fisted approach to FCC, especially coming through farm debt review boards, really results from that tight-fisted, hard-nosed approach this government has taken with literally thousands and thousands of producers.

The parliamentary secretary says that the government has made funds available. In fact, if we just look at that period from 1987 to 1992 the amount of loans this government has with Canadian farmers has decreased from $4.7 billion to $3.5 billion. That is $1.2 billion taken out of the farm financial situation across the country.

During that same period of time the amount of loans, the amount of farm debt, has increased from some $22 billion to, I believe, almost $24 billion. The amount of money the government is making available for farm loans is certainly not increasing. It is in fact decreasing.

The only thing that is increasing is the number of properties which the government has seized. In 1987 it held 911 properties across the country. At the end of fiscal year 1991-92 which is almost a year ago, it owned 2,609 properties. There are hundreds of thousands, millions of acres of land which the government has seized.

The parliamentary secretary suggests there are lots of funds available but the amount of funds is rapidly decreasing. The parliamentary secretary suggested that the Farm Credit Corporation would be able to go to the market any time to secure additional funding. That is true, but every acquisition of funding has to be approved by the Minister of Finance. Therefore, the funding is only available if the Minister of Finance approves it.

It seems to me that this amendment to clause 4, suggesting that persons resident in Canada within the meaning of the Income Tax Act or Canadian citizens or bodies would be eligible for the funding is a good amendment. If there are limited funds available, surely we want to reserve them for Canadian citizens. That, of course, does not preclude groups putting together funding from other sources that are outside the country, but certainly we should have an approach to provide funding for Canadian farmers whenever that is possible.

We have three motions grouped for debate. This debate also includes Motion No. 10, standing in my name. This amendment of clause 8, by striking out line 23 on page 5 and substituting therefor "committee", gives the board of directors the powers to establish committees. They talk about the executive committee, the audit committee. We are proposing that there would be a committee to review any decision made by the corporation under paragraph 4(2)(a), or any other committees involved.

Essentially what we are trying to put in place is a review procedure, an appeal body. I put a similar motion before the legislative committee because I think it is important that in legislation there be a provision for an appeal procedure. The Tories, of course, voted that amendment down.

Fortunately we have been able to bring forward a new amendment before the House. However, I do not know why legislators want to remove the right for an appeal. I appealed to the members on the government side at the committee that the basic right with any government body or corporation such as this is that there be an appeal procedure.

We are talking about a very serious thing here. We are talking about farmers who have applied for a loan from an agency of the Crown. The loan should be available to them. If there is an official at the headquarters in Guelph, Regina or wherever it is across the country who dislikes that farmer for whatever personal reasons or incidents which have occurred during the negotiations and that request is being turned down, there should be the basic right to appeal.

• (1120)

An appeal procedure has been put in place by regulation or under this new arrangement it will be by a by-law. However, it seems to me that it should be right in the statute. Therefore, regardless of who the chairman of the Farm Credit Corporation is or who the chief executive officer is or who are the board of directors, it is in the legislation that there will be an appeal procedure.

Therefore, when farmers get turned down especially in these hard times when we have seen 13,000 go out of business in the last four years, there is an appeal procedure.

I hope the parliamentary secretary will not think of himself as being the tool of a government that wants to have a bill so short and so broad that all powers are assumed by that agency and its board of directors. I hope he will think back to when he farmed and he saw his neighbours lose their right for a loan. How good it would be to be sure there was an appeal procedure so that those individual farmers could go to the Farm Credit Corporation appeal body.

Whenever legislation is written, the idea is that we put in checks and balances, that we put in the right for the individual producer.

Now this may be all part of the over-all scheme to privatize the FCC and sell off its loan portfolio to some big American corporation or whatever. If that is the reason then we will know why the government is not accepting it. Today this is a Crown corporation.

These individual producers should have the right to appeal to a review panel, in this case a review committee, established by the Farm Credit Corporation so that injustices will not be done. Clearly thousands of farmers feel that the FCC has been unjust and unfair.

If we put it in the statute then they will know that we are doing our jobs as legislators. Whether the government operates in a fair and equitable way is something we have to pursue in the estimates committee or elsewhere. However, at least we will be doing our jobs as legislators in putting in the provision for an appeal procedure for farmers who are turned down for a loan by the Farm Credit Corporation.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, at the present moment there are a number of motions before us. Motion No. 4 would add a section to this bill requiring that loan guarantees be made to persons resident in Canada within the meaning of the Income Tax Act, Canadian citizens or bodies for the purpose of the various kinds of lending activities which the corporation could enter into.

As the legislation now stands it merely says: "make loans or guarantee loans made to persons or bodies for the following purpose". In other words, Motion No. 4 would introduce a Canadian residence requirement for citizens or bodies who would be applying for a loan under the act.

Certainly it would seem only appropriate that moneys that are voted by this Parliament, moneys that are paid for by the taxpayers of Canada, should be designated to people and organizations resident in this country. What purpose could there be for using scarce resources to finance the activities of others who would come into our country and take over either farms or agricultural businesses within this country? Certainly there are reasons why that might happen, but what possible reason is there that the taxpayers of Canada should, in times of economic scarcity and fiscal restraint, be involved in providing taxpayers' money for those purposes?

• (1125)

The real reason that the government is reluctant to accept this particular motion is that it flies in the face of what is in the free trade agreement with the United States and the proposed NAFTA agreement with Canada, the United States and Mexico. Those agreements create a regime in which national boundaries mean very little and the decisions of individual legislatures in particular countries mean very little.

The farmers of Canada, and all the people of Canada, should be aware that one of the implications of adopting those kinds of trade agreements is precisely what we see here, which is that this Parliament can no longer restrict the spending of taxpayers' money to Canadian citizens and Canadian residents. It is really quite alarming that perhaps in perpetuity we are now going to be in a situation in which this Parliament cannot direct the spending of Canadian taxpayers' money for the purposes of helping Canadians and Canadian residents and restricting expenditures of money to that purpose.

The second set of motions, Motion No. 10 in the name of the member for Algoma and Motion No. 12 which stands in my name, would create an appeal body which would be available to farmers and others that come before the board and are turned down or are otherwise

not happy with the decision of the Farm Credit Corporation. My motion says that:

> "(3) The board shall establish an advisory committee to review, at the request of any interested person, any decision made by the corporation under paragraph 4(2)(a).

—which is the list of purposes to which loans and loan guarantees can be applied. It also says that:

> (4) For greater certainty, a decision made by the advisory committee established under subsection (3) shall not be binding on the board or have the effect of altering or annulling any decision of the board."

In other words, this would provide for an appeal process, a review committee to which a person or an organization could appeal a decision of the Farm Credit Corporation. It also makes it very explicit that the decision of that body would not be binding on the corporation but merely would be advisory to it.

It is important to note that the government's seeming rejection of this provision means that it is rejecting something that in fact has been the practice in the past. To my knowledge there is a review procedure, an appeal procedure, within the Farm Credit Corporation at the present time which serves the very function that would be enshrined in Motions Nos. 10 and 12.

Surely it is only right to have such a body available to people doing business with the corporation. It is an agency of the Crown and thus it acts on behalf of the people of Canada. It is also a very human institution in which individuals make the best judgments according to guidelines that are provided to them. Very often these guidelines are imprecise, have grey areas, and allow a fair bit of individual latitude concerning decision making. There are probably legitimate reasons that a person could argue that the decision of the corporation goes against its own guidelines and policies, or situations in which an individual might dispute the facts that have been made available to the Farm Credit Corporation and its officers.

As members of Parliament, all of us who represent rural constituencies are very much aware of the disputes that occur between farmers and the corporation. It is often very difficult for us to determine who is right and who is wrong. But in very many of these cases we all know that there is a legitimate grievance to be had, a legitimate case to be presented by the person unhappy with a decision.

Precluding an appeal procedure for those kinds of people means that rather than going to an appeal board the only recourse these people will have is an appeal to the political process or the courts.

• (1130)

As we all know from our attempts to intervene in these cases, members of Parliament, although we would gladly accept the responsibility of following up these cases, often feel we are not the appropriate people to conduct the kind of inquiries and hear all sides of the evidence required to make a fair judgment. As members of Parliament we know those kinds of cases occur. Therefore one avenue of appeal is often not appropriate.

The second avenue of appeal is an appeal to the courts. That is an expensive and time-consuming process, as anybody who has ever been involved with it knows very well. Often people who are in a situation in which they are appealing a decision of the Farm Credit Corporation have stretched their resources to the limit, are going broke and are in a state of personal crisis with respect to themselves and their families. Having to go to court, with all that implies, is another burden they really do not need and it does nothing to enhance either their own well-being or the decision-making process.

Therefore it seems to me that the government should recognize that there is a right in a democracy to appeal decisions that are made on behalf of the Crown and to enshrine in this legislation what has been the practice, which is that people who disagree with the decisions made by the Farm Credit Corporation have a right of appeal internally within the corporation. As I previously noted, this would not be binding but would have an advisory effect and would present an opportunity for both sides of a dispute to be heard.

I appeal to the government to take the common sense and just approach and continue the practice that has been in place in the past by providing an appeal procedure with respect to decisions of the Farm Credit Corporation.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to speak briefly on this amendment and at the same time take the opportunity to speak on the bill.

Over recent weeks I have received correspondence from constituents who want this bill to pass. As usual our party has demonstrated its co-operation. I understand that today we will not only be passing this bill at report stage but my colleagues and I will be giving our unanimous consent to go to third reading, thereby demonstrating not only to the government but to all Canadians that we on our side of the House want to do whatever we can to assist the agricultural industry in Canada.

In a perfect world the amendment we are proposing this morning is something that would leave me a little uncomfortable because we are restricting the number of people who could have access to these funds. However, the sad reality is that with the cutbacks this government has imposed on the Farm Credit Corporation and on agriculture generally, funds are very scarce. As funds are very scarce, we must maximize their use.

My colleague from Algoma and others have spoken about how the number of loans continues to decrease. The number of active loans under the portfolio of the Farm Credit Corporation is actually going down. The number of loans in 1987–88 was 72,000; in 1988–89, 67,000; 1989–90, 63,000; 1990–91, 61,000; and 1991–92, 59,845. The number of loans continues to decrease.

What does that tell us? First of all, it tells us that the agricultural economy is doing very poorly. Then it speaks of some of the neglect of this government. It is not only the number of loans that is going down. Some people might be tempted to say those are merely consolidations and each loan may be greater in value, and therefore the agricultural community is getting the same benefit. That is not so.

• (1135)

In terms of the amount of dollars, the total was $4.7 billion in 1987–88 and that figure progressively went down to the present year's total of $3.5 billion. In other words, it went down $1.2 billion, and that is not in inflation adjusted dollars. If we count the inflationary adjustment, resulting from the fact that each dollar is worth less today than it was then, then the loss is even greater than the $1.2 billion figure I just mentioned.

We will be supporting this bill because it has merit. However, let there be no mistake. This bill does not bring salvation. This bill does not make the Conservative administration across the way acceptable to the agricultural community of Canada. The agricultural community will remember the government across the way for what it has done.

I remember how this government talked about its commitment to supply management in 1984 and I remember a repeat of that commitment in 1988 during the free trade agreement debate.

An hon. member: What did it do about it?

Mr. Boudria: What did it do about it? First of all, we lost an awful lot in the free trade agreement. We all know of the loss of the ice cream and yoghurt provisions that we had because the government switched some items from the tariff list to the import control list, or at least it pretended it would. Mysteriously the then Minister of Agriculture resigned only a few days afterward and did not seek to run again in the last election.

To make matters even worse, there are also the cutbacks that have been imposed on the agricultural community since then. There was the decrease of $638 million in the last mini budget. That is how much of a cut there was in the economic statement of last December, which some of us refer to as a mini budget. That figure even includes a $38 million decrease in the dairy subsidy measures which the agricultural community had previously enjoyed.

We all know that this $6.03 per hectolitre amount had been frozen for many years. At one time it represented something like 12 or 13 per cent of the revenue of dairy farmers. As a result of the fact that amount had remained fixed per hectolitre and the cost of production kept going up it eventually represented a smaller proportion, somewhere in the order of 8 per cent. Now there is not just the fact that this amount was frozen but there is an actual decrease of some $38 million in the dairy subsidies.

The last thing the dairy farmers of Glengarry—Prescott—Russell wanted is for this government to renege on its commitment to protect the supply managed sector during the free trade agreement debate in 1988 and to actually start reducing the subsidies.

[*Translation*]

So farmers in my riding and elsewhere will long remember the Conservative government opposite. Today, of course, we intend to support this bill, because it is good, but we should still keep things straight. This bill does nothing to redeem the Conservatives opposite. The Conservatives have sinned and I assure you, Mr. Speak-

er, that voters in my region and elsewhere will say: "Yes, the bill may help us, perhaps, but the damage caused by this government is far greater than the benefits from the bill today".

• (1140)

[*English*]

With that I will end my remarks. It is my pleasure to support the bill and the amendment as offered by my hon. colleague for Algoma and seconded by my colleague for Prince Edward—Hastings, who also represents another fine agricultural constituency in this country and more particularly in the province of Ontario.

I am anxiously awaiting not just the outcome of the vote on this bill. We all know the approval the bill will get, but I am waiting to see other measures that will assist the farming community in Canada, which is living through a very difficult period. It has lost so much of its income and is struggling in spite of the fact it is working so hard to produce the food we all eat.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I just want to make a few short remarks on this amendment. I want to approach this from the point of view of an urban member of Parliament.

All too often there is a view or feeling in rural Canada that people who live in the cities, or urban members of Parliament are not as supportive as they should be when it comes to agricultural issues.

About three months ago in my riding, we put a display in the window of our constituency office that was designed and prepared by my colleague for Lambton—Middlesex. The display was titled "Compare the Share". This exhibit illustrated to urbanites, people who live in the city, the amount of money received at the farm gate for things like chicken, wheat, cheese and milk. Then we illustrated the amount of money the retailer receives. The dramatic difference shocked urbanites. They had no idea and there was little awareness or sensitivity to the amount the farmer receives.

There is another small store in my community called Hampton Variety store, which is run by a young entrepreneur, Terry McAdorey. As a result of this particular exhibit he will not buy products from transnational agricultural organizations. He buys farm products from small family farms. The cheeses, stews, eggs and everything else are all bought from the family farm. He is doing this partly because of his own inner view, his own commitment to the fact that we must become more sensitive to the notion of community versus competitiveness. In my view this is one thing this government has really failed to achieve.

It has been so possessed by this notion of global competitiveness that it has really been following the transnational corporate approach. Nowhere has that transnational corporate approach had more impact than on the values and approach we now have in our agricultural community and in the agribusiness. It is practically a cartel of about five or six companies that are running the agricultural business in Canada. As a result, the few family farms that are left in our country are existing almost in isolation. It is almost like the life of a hermit and this has tremendous impact in terms of the social consequences.

• (1145)

I think we all agree there is a farm crisis in our country today, especially with respect to the family farm. This bill we are putting through today is an instrument of the Farm Credit Corporation to recommit itself to the idea of respect for the family farm. It basically puts community, community values and quality products against this singular drive for competitive prices and globalization, which I think is getting far out of hand.

I was reading an article in the *Catholic Register*, written by Marie Carter of Dresden, Ontario. The article is on page 7 and is called: "Today's farm crisis is everyone's concern". She made the point that only 3 per cent of the Canadian population makes a living from the land.

More than ever it is incumbent upon all of us as members of Parliament to speak out for those people. Hopefully we can reignite interest and concern in this particular sector of our economy. Maybe we will develop a feeling or an idea that this could be a new vocation or approach as we head into the restructuring of our entire society.

There is a growing mood of defeat and negativity toward farming by farmers that was illustrated in this particular article. I am happy to stand here today as an urban member of Parliament to support my colleagues from Algoma and Prince Edward—Hastings on this motion.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I also want to make just a few brief comments on these motions before the House right now.

The first one is that the Farm Credit Corporation money be made available within the meaning of the Income Tax Act to Canadian citizens or bodies, et cetera.

I share the view of my colleague from Glengarry—Prescott—Russell that it would be nice to be able to have sufficient funding to help finance people who want to get involved in farm businesses, farms or the agrifood community. In reality however, as he stated, we just do not have an endless supply of money.

The Farm Credit Corporation is backed by the Canadian taxpayer and unfortunately in the past has had to be funded to quite an extent by the Canadian taxpayer. I think therefore the moneys it makes available should be made available to Canadian taxpayers, Canadian citizens and landed immigrants as long as they meet the accepted criteria, legal aspects, et cetera.

I know that the intention of this bill and the Farm Credit Corporation is to balance the books so there are no losses. There are lots of us out there in businesses and it has been our intention to balance the books. The government claims it has been its intention to balance the books. It is another subject, but I do not think it has done a very good job of it.

This is probably the fairest distribution of this money and availability of money by the Farm Credit Corporation, to make it available to those who fall within the meaning of the Income Tax Act. I would ask the government to consider that and approve of that amendment.

• (1150)

The other motion before us, Motion No. 10, stipulates that a committee to review any decisions made by the corporation be put in place. At the present time there is an appeal board at the Farm Credit Corporation. Some people may feel they have not had their cases heard properly or for some personal reason they have not been treated as they felt they should have been. Perhaps they have not been able to explain their situations to representatives of the Farm Credit Corporation. They can presently have a second group of people take a look at the situation. I think that is very worth while.

With this bill we are changing the make-up of the board of directors at the Farm Credit Corporation. I have no problem with the number. We will discuss the distribution, background or make-up of the board of directors in a later motion.

If the bill continues the way it is at the present time, there is no avenue for an individual applicant to raise the question other than to write to the complete board of directors or the chairman of FCC to say he or she would like the case to be reconsidered.

We must all realize that even though that has not happened a lot in the past, it has happened. In many cases when there has been a request for a review, it has not been passed. The decision is made the same way, but it has given that extra avenue and level of comfort to the applicant that was there for assurance to make sure he or she could be heard.

I would ask the government as well to consider this. There is nothing wrong with it. It is not asking that someone be placed on a fancy salary or a long-term thing. My understanding is when these have worked before they were on a per diem basis. They can put two or three people in different places in different parts of Canada. If there is a request for a review they can be called together or go to visit the applicant. They can sit down with the applicant in the farm office or in someone else's facility and go over the issue to determine whether the probleme is personality, et cetera. It is a safety valve and I do not think it is too much to ask to give a high level of comfort. Quite frankly I think it would cost very little.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I want to speak on the amendments at report stage of Bill C-95 and particularly to Motions Nos. 4, 10 and 12.

I am going to zero in on Motion No. 4, which is designed to ensure these loans are made to Canadian persons or corporations. In June 1985 we heard a lot from the government opposite about Canada being open for business. In the next few years between 1985 and 1991, approximately 4,100 corporations in Canada were taken over mainly by other interests to the south of us in the United States. Those takeovers were largely fi-

nanced by loans from Canadian lending institutions. In fact, 85 per cent of the loans came from Canadian lending institutions. In other words, they used our financial institutions to buy us out. I suggest that Motion No. 4 will block such an attempt to use Farm Credit Corporation loans in the future for that purpose. I believe it is a well thought out motion that deserves support.

• (1155)

Let us look at what is happening in Canada with some of the transnationals that were referred to a few moments ago by a previous speaker. To leave the bill as it is without such a motion as Motion No. 4 would play right into the hands of these corporations. They are bleeding dividends and assets out of Canada and are contributing to the huge current account deficit which is going to hit somewhere between $25 billion and $30 billion in this current fiscal year.

This country cannot afford such haemorrhaging of profits and dividends going out of this country to companies that do not belong in Canada but operate here. My colleague from Broadview—Greenwood who spoke just a moment ago about the transnational corporate agenda and its objectives was absolutely right.

In fact, just yesterday a prominent economist stated that: "The doctrine of international competitiveness that government, business and academics have seized upon is misguided and dangerous. The competitiveness doctrine thinks countries compete like companies and end up winners or losers, and it does not exist as a meaningful concept". That economist was Paul Krugman, an economics professor at the Massachusetts Institute of Technology.

On several occasions I have spoken about the growing concentration in food production and processing by a few huge firms. Some of them are transnationals in the U.S. Some are already in Canada and other countries. Some of them came into Canada and were encouraged by government financing made available to them in terms of low interest rate loans or outright grants. Now we find these same companies branching into Third World countries to take advantage of low wages, few environmental regulations and lower sanitation and health standards.

For nearly two years I have been accumulating information and have completed two studies delving into the share of the consumer's food dollar that ends up in the hands of the average Canadian farmer, as mentioned by my colleague from Broadview—Greenwood just a few moments ago. The results are shocking.

However, to bear out the quotes I referred to earlier in these remarks, how can this government have the gall to tinker with legislation such as this when the basic primary producers are forced to take secondary jobs off their farms to earn enough to put food on their own tables and subsidize their own farming operations?

In 1991 the average farm family income which includes income earned from other sources was $39,638. The income from those other sources was $22,522 or about 60 per cent of that total income. Federal and provincial subsidies accounted for $9,927, leaving just $7,181 from the farm operation itself.

The government cannot continue to hide its head in the sand. Any loans made under this legislation, the previous legislation, or any other lending institution have to be repaid. However, the returns are not there to pay off the debt or to pay the interest on that debt, as economics and agriculture are defined today.

The government brought out the GRIP and NISA programs. Already there are signs that these programs are beginning to fall apart. Of course, the question begging to be answered is: How can we survive when a program only covers 80 per cent of the acreage, based on a 15-year moving average of prices, an average that is going down?

It is time that we stood up to be counted as Canadians. It is time we stopped pandering to those interests outside of Canada who want to invest in Canada by using our Canadian lending institutions and our sources, corporations that want to gain control of food production and processing in this country. It is time we said that the buck stops here. That is why I am supporting this motion, to ensure that these loans are made only to Canadian citizens or Canadian corporations.

Mr. Vic Althouse (Mackenzie): I would like to make a few comments on Motions Nos. 4, 10 and 12. They basically deal with two topics.

One is the question of whether there should be a requirement for users of Farm Credit Corporation loans as established under this Farm Credit Corporation Act to be Canadian citizens or residents of Canada under the Income Tax Act. The other is whether there should in fact be a review committee to review the actions of the Farm Credit Corporation. It would not be able to change the actions but it would have them reviewed and perhaps made a bit more public and would test to see if mistakes had been made.

• (1200)

The first item is the question of requiring the making of loans or guarantees of loans to persons who are residents of Canada within the meaning of the Income Tax Act or Canadian citizens. This amendment to require the people receiving such loans or guarantees to be residents of Canada within the purposes of the Income Tax Act and/or Canadian citizens is a good one.

I know that flies in the face of some of the clauses the government has negotiated in the North American free trade agreement. I know it has a clause which says that future legislation does not permit this kind of thing and there is a commitment by the signatories to live by that. However we have not approved that agreement yet.

It is crucial to discuss why it is that this kind of commitment is required for loans being made to people living in rural Canada. It is particularly crucial because the purpose of the bill as stated says that these loans and financial services are for those businesses in rural Canada. It does not say international business; it does not say multinational business. It says business that will be in rural Canada, a business that has a commitment to staying there.

It is a very ancient, honourable and effective development tool which has been used for centuries to maintain rural communities. The assistance and loans and ownership of those developments would be by people who are citizens of the country and/or seeking to become citizens of that community. To set up a development model that is anything else does not live by the purpose of the bill which seems to be to develop businesses in rural communities.

We have had some wavering from the commitment to ownership in the community by the community in Canada's history even though our history is relatively short. In Prince Edward Island in the middle 1800s most of the island lands and farms were owned by non-resident landlords. People in England and Ireland owned most of that territory. There was what could only be described as a near revolt on the part of the resident farmers. They had found themselves shipping more and more of their income offshore and finally simply refused to do that. To this day on Prince Edward Island there are resident requirements and limits to the size of farms that can be owned by corporations simply because of that historic event more than 100 years ago.

In the development of my region, western Canada, it was required that an application for resident status must have been made before one could own a homestead. My ancestors came from Europe and the United States. They had to sign and swear that they were going to remain residents of Canada and had the intention of becoming Canadian citizens before they were granted the right to purchase this land.

This country has a long and honourable method of doing business in rural Canada. For the government to dodge the issue by not including a clause that was in the old act in this new bill means that there is in fact an intention on its part to change the rules as to what sort of development we have in rural communities.

• (1205)

I have seen the clause in the North American free trade agreement that says there will not be a requirement that investors be citizens any more. That might be fine for very large investors. However, as a result of the amendments that have occurred already this morning, this bill is aimed at the small and medium sized businesses.

We do not need international people coming in to pick and choose, to pick off assets they might be able to turn a fast dollar on just because Farm Credit Corporation might be able to lend them some money under this proposal. This becomes important because it is not just loans but it is also guarantees of loans.

The question of review of the loan decisions also ties in with this. In making financial decisions it is important to have a place to go to for a second opinion. The old Farm Credit Corporation Act had a review body. There is no mention of that here. Parliament would like to see a review body included in the act. A future board of

directors might decide to set up such a body, but I think Parliament has the right and a proper expectation to have that spelled out in the legislation. That is what these amendments are about.

The reasons there should be such a review body are quite clear when we look at past experience. Financial viability is a little bit like the poet looking for beauty: It is basically in the eye of the beholder.

While there are numbers on balance sheets, the gut feeling of the person looking at those balance sheets is what ends up determining the decision that is made too often. If it is thought that is going too far, if you are from the accounting school and think that there is only one way to go when looking at a balance sheet, I urge you to look at the banking decisions made in the case of Campeau Corporation. There was a host and string of bad banking decisions made in the rise and fall of that corporation.

Look at the Bronfman empire. Look at the loans that are running into difficulty there that were based on reputation rather than balance sheets and assets given, estimates of asset values that had no relevance on the actual market of the day. Look at Olympia and York and the Reichmanns and the difficulties that those assets and evaluations have run into. It will be seen why it is necessary to have a second opinion sometimes.

I have had individuals raise situations with me. They have applied to Farm Credit Corporation and were turned down with no explanation. Sometimes it was a fight over evaluation. At one point the Farm Credit evaluator was attempting to extract for the same classification of land three times the value that an identical parcel next door to it had sold for just within six months. However, they were insisting on selling back to the owner or valuing it for the owner to renegotiate a price at a value that was three times what was, in fact, the market value. Without appeal to a review board and another assessment, that treatment would have been very unfair.

A feedlot operator in Alberta went to FCC, applied for a loan and was turned down. The Farm Credit assessor had made a terrible mistake in estimating the productivity of his feedlot, an estimate that showed the per day increase in production from his feedlot was one-half a pound per day instead of the three pounds per day which it actually was. Ever after, because of that mistake, even though his balance sheet was very good, that man was unable to get a loan. Not only was he unable to get a loan from Farm Credit Corporation, but from all other institutions as well. That is because the information is shared. He had no place to go.

For those reasons, it only makes sense that Parliament insist there be a place for a review committee in the legislation itself.

• (1210)

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am very pleased to speak briefly to Motions Nos. 4, 10 and 12. I will deal with Motion No. 4 first.

Although the legislation is for the benefit of Canadian farm operations, there are circumstances where business alliances could be developed with farm businesses in the United States that would be beneficial to Canadian farmers and rural communities. For example, there may be a member of a farm operation where one family member is a non- resident for a period of time. This may needlessly limit that farm's operation and its ability to obtain credit from the Farm Credit Corporation.

The term resident is not defined in the Income Tax Act. The courts have held that an individual is resident in Canada for tax purposes if Canada is the place where he, in the subtle routine of his life, regularly, normally or customarily lives. In making this determination all relevant facts in each case must be considered. As a result, eligibility tends to be confusing. We certainly do not want any more confusion with legislation than what sometimes develops.

With respect to Motion No. 10, the FCC currently has an appeal board to review loan decisions. It will also have the authority in clause 8 of this bill to establish such a committee. Therefore we feel this is also unacceptable.

The proposed legislation in clause 8 allows the FCC board to establish an appeal process or any other such committee that will assist in doing its business. Legislating an appeal process would create a process that may not be sufficiently flexible to meet future clients' needs.

For these reasons, we feel Motion No. 12 is not acceptable.

I want to point out there have been about 32 appeals in Canada in the last 18 months, which is not a great amount. We also know, as rural members of Parliament, if someone has difficulty with a field or staff worker from the Farm Credit Corporation or any problem with the application or loan *per se*, how often we get phone calls asking us to help someone through the process. Applicants also have the right to appeal to the chairman or vice-chairman of the Farm Credit Corporation. Of course we also know that many of them have appealed to the Ministers of Agriculture over the last number of years as well.

The government believes this legislation adequately addresses those concerns and therefore we have to reject Motions Nos. 4, 10 and 12.

Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 4 standing in the name of the hon. member for Algoma. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): Motion No. 4 negatived on division.

Motion negatived.

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 10 standing in the name of the hon. member for Algoma. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

Motion negatived.

• (1215)

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 12. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Motion negatived.

Mr. Maurice Foster (Algoma) moved:

Motion No. 5.

That Bill C-95 be amended in Clause 5 by adding immediately after line 12 at page 4 the following:

"(3) The membership of the Board shall at all times include a majority of farmers."

He said: Motion No. 5 standing in my name essentially amends clause 5, page 4, by requiring that the board of directors have a majority of farmers appointed to it.

The existing legislation does not provide for this arrangement as I understand it. In this bill, the board of directors is vastly expanded and the advisory committee is eliminated. We currently have an advisory committee of about 12 representatives from across the country in the Farm Credit Corporation and they are all primary producers. They are all farmers, to my understanding, or have been in the past.

The board of directors is being expanded to 10 directors plus the chairman and the president. It seems to me that if we are going to do away with the advisory board to the FCC which is all producers, and expand the board to 12 people, it is not unreasonable that six or seven of those people be primary producers. It is simply a matter of trying to have a board of directors that is sympathetic to agriculture and understands agriculture.

The way the legislation is written, we will end up with a bunch of retired Tory bankers, bagmen, bogey men and not a group composed of primary producers. I think it is not unreasonable to suggest, and this was strongly recommended in the Canadian Federation of Agriculture brief to the legislative committee, that there be a majority of primary producers.

The parliamentary secretary has suggested that a primary producer while serving on the board may sell his farm and no longer be a farmer and that would change the balance on the board. It seems to me there is enough latitude in this amendment to suggest that as long as the person is a primary producer, a farmer, at the time of appointment this will be acceptable.

• (1220)

I am sure amendments could be made.

To have the Farm Credit Corporation filled by a group of former bankers when agriculture in Canada is perhaps in the most unstable and uncertain period in its history is just unbelievable. It is simply unbelievable that any government would propose that to the House. We want a majority of the board of directors to be primary producers who understand the industry and its concerns. They understand what is happening out there with the uncertainty of the GATT negotiations and the free trade agreement. There is uncertainty about the value of the Canadian dollar and whether our wheat exports are going to be at an adequate price to provide a reasonable living for Canadian producers.

It is a very simple request and is recommended by the largest farm organization in the country. It is unbelievable that the government is proposing to do away with the advisory committee that was 100 per cent producers and incorporate it into a much larger board of directors and would not want to see a majority of those producers be farmers instead of people who are more concerned about the banking industry or other issues.

Clearly there is a space on any board of directors for representatives from the other sectors. When we are putting forward legislation which would provide funding for the processing, that would be wise. But regardless how you cut it, the legislation is directed to the primary producer, so the majority of the directors on the new corporation should be farmers or primary producers.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, the motion presently before us is Motion No. 5, which would call for:

> The membership of the board shall at all times include a majority of farmers.

It is very similar in intent although somewhat different in the wording to a motion I submitted under my name which said:

> That the minister shall ensure that as far as possible, the membership of the board includes at all times a majority of farmers.

I do not want to go on at length about this but I think it is really regrettable that the government or the Farm Credit Corporation was not able to accept this particular motion.

In this legislation we are increasing the size of the board of the Farm Credit Corporation from seven to twelve. With only seven people on the board it might have been argued that there was a certain range of expertise required to facilitate the functions of the board that rank and file farmers did not have available to them.

For example, there might have been legal or banking experience required for the functioning of the board. With the seven member board, a majority of farmers would require that only three outside directors not be farmers.

However, with 12 members on the board, five or six people from outside the farming community could sit on the board. That certainly would represent enough bodies on the board to cover the range of expertise that might be needed by the board. It is also regrettable that this motion is not being accepted when one considers the fact that the government has also turned down the motion which called for an advisory committee to the board to review the board's decisions.

• (1225)

The effect of turning down both these motions will continue the present situation where there is no institutionalized way by which farmers can be guaranteed that within the organization there will be a body at either the board level or a review committee level that explicitly represents the interest of the farm community.

Surely in an era where we are in some ways being swamped with legalese, expertise and a decision-making environment that is far removed from the realities of life, in this case farming, it is regrettable that we cannot

make this small move in order to ensure that the primary beneficiaries of this legislation are represented in a majority position or on an appeal committee.

I do not want to go on at length. I think it is regrettable that the government has not seen fit to approve a motion which would permit a majority of farmers to be the decision makers when it comes to the very important decisions this board will make, decisions that in large part will determine the land holding and therefore the future pattern of agricultural development in this country.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I too want to make some very brief comments. I made mention earlier today in remarks to this House about the changes that the bill puts forward regarding the number of people on the board of directors of the Farm Credit Corporation. It increases that number. It does not enable the appointment of a review committee or an appeal committee or whatever you might want to call it.

As that is the case, it is imperative that there be some stipulation as to the make-up of the 10 board members—there will be 12 in total with the chairman and the president—of the Farm Credit Corporation.

In order to give all the comfort that we possibly can to those people in the farm community and in the independent and small and medium sized agrifood business community, it is imperative that there be an absolute assurance that the right type of people will be on the board of directors.

I do not think it is too much to ask that the membership of the board shall at all times include a majority of farmers. That is what the Farm Credit Corporation is there for. The government recognized by accepting an amendment to the bill earlier this morning emphasizing that the bill is to deal with and assist family farms and small and medium sized rural businesses. It has recognized that. This is only a follow-up to that in order to finish the bill off properly so that it gives a proper direction.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I support this motion before us, Motion No. 5, at report stage of Bill C-95 because I think it is critical that there be a new level of understanding by the board of directors of the Farm Credit Corporation and a new look and better understanding of the needs of the borrowers as well as a need for accountability of the corporation itself.

I wish to put on record here in this House that the corporate plan of FCC of July 1988 was not tabled in this House as required by law or regulation within 15 days of the next sitting of the House as it was supposed to be. We tried on several occasions to get hold of that corporate plan and we were unable to do so until finally it was sent to us a couple of years later.

This amendment to have a majority of farmers on that board of directors would hold them accountable, not only to this House but to the borrowers of Canada.

• (1230)

I can well understand how they really did not want to table this because of what was in that corporate plan, and how they really wanted to convert the debt to equity. That can only be done one way, and that is by foreclosing on the farms so that rather than having a debt owing to the Farm Credit Corporation it shows up as an asset.

This is a very positive motion. We should look at it because so far we have seen a lot of programs that are supposed to help the farm sector out of its terrible, distressed economy over the last several years but they have only been band-aids.

While the industry is really dying a death of a thousand cuts, cuts inflicted by this government in the name of so-called globalization of trade and global competitiveness, the self-styled professionals, whether they are economists or agronomists, continue to dream in Technicolor. Today we are seeing some band-aids that will still keep the farmers off to one side of the decision-making process, not having a say in how their own lending institution, being financed by moneys from Treasury Board, will continue to operate.

Will these people continue to support globalization rather than support our own highly successful marketing boards, agencies and commissions? Those are the only sectors that are really showing a return in investment, management, labour and risk. They are ignoring the cost of the need for environmentally sustainable agriculture that must be implemented, with the costs shared by farmers and society as a whole.

We must have people on that board of directors who understand the hardships that are taking place out there rather than people sitting back ruling with the cold, hard heart of the bankers or economists who do not have to worry about their income but only about their own positions.

I support this resolution because it is badly needed. I hope the government will reconsider its opposition to this motion and the common sense it makes.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would just like to speak briefly to Motion No. 5. Administratively there is difficulty in maintaining a majority of farmers at all times, but experience has demonstrated that the board has always had strong producer representation. As well, there could be difficulty in defining who was a farmer for board membership purposes.

I will give another example. We might have some excellent farmer representatives on that board but if they cease to be a farmer they would then have to resign from the board. We have to provide that board with continuity for proper decision making, et cetera, and it could put us into a position in which we would lose some very good directors and members of that board.

For that reason we feel this amendment is not acceptable.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 5 standing in the name of the hon. member for Algoma. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

Motion negatived.

[*Translation*]

Hon. Monique Vézina (for the Minister of Agriculture) moved:

Motion No. 8.

That Bill C-95 be amended in the English version of Clause 7 by striking out line 36 at page 4 and substituting the following therefor:

"7. (1) The Governor in Council shall ap-".

Motion No. 9.

That Bill C-95 be amended in the English version of Clause 7 by striking out line 40 at page 4 and substituting the following therefor:

"ate, and shall designate one of them as the".

[*Translation*]

Motion No. 13.

That Bill C-95 be amended in the French version of Clause 15 by striking out line 22 at page 7 and substituting the following therefor:

"15. Par dérogation à l'article 121".

• (1235)

[*English*]

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, these amendments are very technical in nature and really do not change very much.

Motion No. 8 is proposed to make the English version of clause 7(1) consistent with the French version of the bill and with the Financial Administration Act. This amendment changes the word "may" to "shall".

Motion No. 9 also amends clause 7(1) to make it consistent with the French version of this bill and the Financial Administration Act. Like the previous motion this amendment changes the word "may" to "shall".

Motion No. 13 changes the French in clause 15 of the bill to make it consistent with the English version. The English version referred to section 121 of the Financial Administration Act while the French version referred to section 121(1) of the FAA. The English version is correct.

[*Translation*]

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): The vote is on Motion No. 8. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Motion agreed to.

The Acting Speaker (Mr. DeBlois): The result of the vote on this motion also applies to Motions Nos. 9 and 13.

Hon. Monique Vézina (for the Minister of Agriculture) moved that the bill as amended be concurred in at the report stage with further amendments.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Motion agreed to.

The Acting Speaker (Mr. DeBlois): When shall the bill be read the third time? With leave of the House, now?

[*English*]

Mr. Cardiff: Mr. Speaker, I believe you will find consent to move directly to third reading on Bill C-95 now that we have completed report stage.

Mr. Foster: Mr. Speaker, we on this side agree to move to third reading now.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to move the motion for third reading of the bill?

Some hon. members: Agreed.

Hon. Monique Vézina (for the Minister of Agriculture) moved that the bill be read the third time and passed.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is with pleasure that I present Bill C-95, the Farm Credit Corporation Act, for third reading.

Throughout the legislative process we have received outstanding support and co-operation from the agricultural and financial industries as well as from elected representatives from all parties at both the federal and provincial levels.

I would like to thank all of our colleagues for their help in preparing this final version of the new legislation for the Farm Credit Corporation. I believe the result is something of which we can all be proud.

Since this bill was first presented to the House of Commons on November 26 it has received broad support from farm groups across the country. Members of Parliament from all political parties have agreed that this important piece of legislation will be of great importance to the rural community in years to come.

• (1240)

Following second reading, a number of our colleagues spoke favourably about the general thrust of the bill. Most of the hon. members who spoke to the bill remarked that it filled a clearly expressed need of Canadian agriculture producers and therefore it should be passed quickly.

One amendment was accepted, which is the removal of clause 4(5). At issue was the federal government's right to dispose of or hold its property. The matter was considered by the Queen's Bench of Saskatchewan and the decision was handed down last week supporting FCC's position that as a Crown agency it has the right to dispose of or hold its own land regardless of provincial legislation.

The legislative committee reviewing Bill C-95 met on Wednesday, February 24 and I am extremely happy to see that we have resolved these questions.

As stated in Bill C-95 as amended at report stage, the purpose of the Farm Credit Corporation is to enhance rural Canada by providing specialized and personalized financial services to farming operations, including family farms, and to those businesses, including small and medium sized businesses, in rural Canada that are related to farming.

Bill C-95 will increase FCC's operating flexibility to respond quickly to changing market signals and to develop new financial products as they are required so that Canadian farmers will have the tools they need in adapting to the new economic realities of the 1990s and beyond.

I should also say that this legislation follows through on the *Growing Together* paper begun by the then Minister of Agriculture, the present Minister of Finance. It is good to see that what we started then is still playing a role in the development of agriculture policy.

This broadened purpose allows the Farm Credit Corporation to support initiatives by people in rural areas to create employment and provide services in their communities. Even if these projects are not specifically related to commodity production, the FCC will now be able to finance a group of farmers getting together to build a facility to clean, grade and package specialty farm products for market. That is one example.

As soon as Bill C-95 becomes law the Farm Credit Corporation's board of directors will be empowered to establish the corporation's interest rates in response to changing costs of funds and market requirements. Instead of waiting up to 10 days for an Order in Council this increased flexibility will make FCC's interest rates more competitive, and we are certainly concerned about those things today and need all the help we can get in keeping interest rates as low as possible and providing farmers with low interest rates.

In addition to FCC's present ability to make loans, Bill C-95 enables FCC to guarantee loans, opening the doors to new possibilities in the area of the intergenerational transfer of farm land within farm families. This bill will enable FCC to change with the times and make loans to farmers with off-farm income, a new reality that has become an integral part of the operations of over 35 per cent of Canadian farmers. Some require off-farm income in order to diversify their sources of income and others wish to expand their personal and professional horizons by learning and practising new skills.

The Farm Credit Corporation will now be able to hold land for periods longer than five years. This will allow the FCC to assist farmers in the start-up phase, when it is often preferable to rent land until the business is profitable enough to sustain the capital cost of purchasing. Today even well-established farmers often prefer to rent because renting gives them a greater flexibility to increase or decrease cultivated acreage without tying up large amounts of capital.

Until now the Farm Credit Corporation has been a land mortgage lender requiring real estate security on all loans under the Farm Credit Act regardless of the purpose of a particular loan. This type of security arrangement is suitable for land-based enterprises such as grain farmers. Other types of security work better for businesses such as poultry or dairy farms, where other factors such as the quality of the facilities, the health of the livestock or the amount of quota owned have a greater impact on the farm's success than the amount of land owned.

The new legislation will permit the Farm Credit Corporation to accept all types of security, including real estate, farm equipment, portable buildings, debentures in negotiable securities and whatever suits the combined needs of the corporation and its clientele.

The Farm Credit Corporation will be given the power to enter into agreements with any department or agency of the Government of Canada or of a province, or with any other person or institution. This will permit sharing of expertise and the efficient use of government resources to the benefit of farmers.

• (1245)

The discussions to date have focused on what will be new at FCC after passage of the Farm Credit Corporation Act. I would like to take this opportunity to stress that the Farm Credit Corporation will continue to provide financing for its traditional clientele: the primary producer and family farms.

There is no doubt that the success of processing and value added diversification depend on the continued ability of our excellent Canadian farmers to produce high quality grains, vegetables, fruits and meats. In the years to come we expect that primary producers will still account for more than 80 per cent of the Farm Credit Corporation business.

What this bill does is remove the restrictions which have prevented FCC from serving the increasingly important value added aspect of farming. It allows the corporation to explore new business opportunities while

giving it more flexibility to improve service to its existing customer base.

A great amount of careful thought and diligent effort has gone into the creation of Bill C-95. The version I am presenting today represents the consensus of the agricultural industry and those who are interested in its welfare that the Farm Credit Corporation legislation should be modernized and its role clarified.

Over the course of the consultations we have had a strong sense that this bill reflects the will of the industry. In the weeks since this bill was first tabled there have been many calls to our offices and to Farm Credit Corporation offices from farmers who welcome the new legislation. They want to know when it will be passed and when new programs will be available.

The publicity surrounding the work of the task force on farm finance and the tabling of the legislation has raised expectations in the farm community. Discussions that we have had with farmers and others interested in rural development indicate a sense of excitement and anticipation. Farmers have repeatedly told me that they are very happy with the new legislation and hope that it will pass soon.

There is some urgency to the matter as the cropping season approaches and farmers make plans for the coming year. We have to remember that cropping season is at different times across Canada. We know they will be into their fields very shortly on the west coast.

I think we can all agree that this legislation is needed. The staff of the Farm Credit Corporation is waiting for us to put a firm legislative framework in place in which to construct new financing programs to meet its clients' needs. Farmers and rural people are waiting for this bill to pass so they can firm up their business plans.

The time for reflection, consultation and discussion has been fruitfully spent. We now have a piece of legislation that the industry endorses. Farmers across the country are watching us as we speak, waiting for us to pass this bill into law.

I am confident that our decision to pass Bill C-95 quickly will greatly be appreciated by the rural community. I believe this piece of legislation is positive. The agricultural sector is looking for it. I know it is expecting us to be diligent and fulfil what we have been sent here to do in providing legislation that is going help the agricultural sector and our rural communities.

It is more than the farm gate we are helping. Many of our small communities depend on farmers and the farm income sector. The income farmers generate is shared in those communities. It is very important that we have a viable food producing industry.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have a chance to say a few words on the passage of Bill C-95, the Farm Credit Corporation Act.

Clearly this bill will provide a new structure for the Farm Credit Corporation which will be very much appreciated by farmers across the country. It will provide a certain amount of flexibility that is not there in the operation of the FCC itself.

It does not necessarily mean the government's attitude or policy with regard to the over-all arrangements for the funding of agriculture has really changed. The parliamentary secretary has talked about the urgency of putting this in place because of the start of the cropping season.

With the FCC legislation generally we are talking about long-term financing of farm operations and mortgages on property. This bill expands it to cover processing plants whether it is a grain seed cleaning plant, a killing plant, or whatever the further processing may be.

• (1250)

Agricultural producers really want to know what the government is going to do about the farm financial crisis which faces the country this year because of the global trade wars between the European Economic Community and the United States on the price of grain.

If we look at the report which came out a few weeks ago from the WEFA corporation, it talks about a crash in 1993 in net farm income. It indicates that realized net farm income is expected to plummet to $3.2 billion, forcing a renewed round of financial belt tightening in the agricultural community. It also talks about net farm income in this country dropping by $1 billion.

I want to refer to one of the main reasons it is dropping by $1 billion this year, apart from the climatic problems which faced eastern Canada and western Canada. Be-

cause of the damp, cold fall season we still have thousands of acres of corn in the fields in Ontario and wheat that has not been threshed in western Canada. The government's support programs all came due to be paid in 1992. The financial support in 1992 was dropping dramatically. It was supposed to be an election year, but it did not really happen. There was only a referendum.

The parliamentary secretary says that this legislation is waiting to be passed. It is waiting to be passed and to be implemented in the agricultural community. It probably is going to have no impact whatsoever on the farm financial crisis. If we look at Saskatchewan, for example, the net farm income was some $640 million in 1992. It is estimated to be $238 million in 1993, which is about a quarter of what it was three or four years ago.

Agricultural producers want to know what the government is going to do about the farm financial crisis. The election was supposed to be in 1992 so the government had all of its support programs geared, whether it was GRIP, NISA or FSAM, the federal smoke and mirrors program. Those pay-outs were supposed to all take place in 1992 and they did, but even at that because of the climatic problems the support or net farm income was not very satisfactory in 1992.

We waited with great anticipation to see the estimates for 1993-94. We thought that when the government's spending estimates came out we would know what the government was going to do about the $1 billion reduction in net farm income.

Sure enough the estimates came out and the budget of the Department of Agriculture was decreased by $638.8 million. At a time when farmers were facing a $1 billion reduction in net farm income, the government chopped its Department of Agriculture spending estimates by $638 million. Some of that was included in the assistance available through the Canadian Dairy Commission. There was a cut of $38 million there; similarly in the Western Grain Transportation Act, another $70 million. That is going to cost every producer shipping grain to the east coast or to the west coast some $2 a tonne.

The Farm Credit Corporation bill is useful. I believe with its flexibilities and the provisions for further processing it will be helpful.

• (1255)

The crisis this year is really with regard to net farm income, to the financial crisis for Canadian farmers.

It is interesting to note that the parliamentary secretary was thanking members on this side of the House, both here and in the standing committee, for their co-operation. We would have been more impressed with that thank you if the government had been willing to adopt some of the recommendations, not only those we made as opposition members whether they were from the NDP or the Liberals, but also those that came from the Canadian Federation of Agriculture. It represents the Ontario Federation of Agriculture, SaskPools, the Prairie Pools Inc., UPA, the Atlantic producers and all those types of organizations.

None of those recommendations were accepted which said to make the money available to Canadian citizens and to residents of Canada as long as they are not non-resident farming groups. But no, that was not acceptable to the government.

We were saying that the majority on the board of directors should be farmers. The government only accepted one small amendment. It had been rejected in the standing committee. However, the government accepted it this morning after being hammered at the annual meeting of the Canadian Federation of Agriculture a couple of weeks ago.

The government would not accept the idea that there be an appeal board. I guess there is a lot of partisan politics in this place but it seems to me that the bottom line should be that legislators should not give up their rights easily.

One of the rights we have is to put in appeal procedures to guarantee the rights of the individual agriculture producer from an all-powerful board of directors which to many producers is far away from them. They have no contact. They do not know them. At the present time there are only half a dozen. Under this legislation there will be 12.

Instead of protecting those producers and saying that we are the legislators, we are the people that are sent here by the people of Canada and we want to write legislation to protect those producers by providing an appeal procedure, the government gives it away. It throws it away.

Government members get their directives on voting from the Whip and they vote by rote. We seldom ever put an important amendment in committee because it is always voted down. At least it has a public airing in here. It is on television. People can see that this government loves to talk about parliamentary reform, but it is really a bunch of hogwash.

When those members go into the agriculture committee they vote *en bloc* against anything that is ever put by members on this side. At least we have the satisfaction when legislation comes before the House it is aired for the public to see, for agriculture producers to see. They see government members vote down practically every amendment that is ever offered by agriculture groups across the country, whether it is the CFA, UPA or whatever group.

We want to have a majority of producers on the board of directors of the Farm Credit Corporation. That is because we think they know more about it. They are more personally involved. They are very considerate.

Some accountant may be brought in from a big accounting firm in Toronto, Ottawa, Montreal or Vancouver who may be very wise about those things. But what does he know about the problems in Lambton—Middlesex, Prince Edward—Hastings, Algoma, Manitoulin or the other farming areas?

We wanted to see a majority but of course, the orders came down. We know where the orders come from. Of course those things are always voted down.

I would have been more impressed by the parliamentary secretary's third reading speech if I had seen that kind of co-operation and consideration in the actual drafting of the legislation.

I am always amazed at how much talk there is on the government side about parliamentary reform. I am not very impressed with the way it operates, at least not in the agriculture committee. That is because it does not operate. Regardless of how good the amendment is, if it is not offered by the government, it is usually voted down by rote.

The Acting Speaker (Mr. DeBlois): I am sorry, but it being one o'clock, I do now leave the chair until two o'clock this afternoon, pursuant to Standing Order 24(2).

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

MILITARY BASES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, Canada has military bases that are sufficient for a defence establishment of 250,000 men and women. Canada has a defence establishment of no more than 80,000 men and women.

I call on the government to significantly reduce the number of military bases that exist in the country and so eliminate the cost associated with the maintenance of these bases.

I call on the Minister of National Defence to declare the bases surplus and sell them or turn them over to some other worth-while purpose. There is no room in our defence expenditures to continue to maintain redundant military bases.

* * *

SHOAL LAKE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I would like to again raise the issue of the proposed KMP mine at Shoal Lake, Ontario.

Shoal Lake is the sole source of Winnipeg's drinking water and the proposed mining operation raises several environmental questions. The best way to answer these questions is for the federal government to conduct a full-blown review of all activities, not just mining, in the Shoal Lake watershed. That is the position of the province of Manitoba and the city of Winnipeg.

With Ontario and Manitoba on opposite sides of the issue, it is important that the federal government step in and provide leadership.

In a letter I received recently the federal transport minister said he has no authority to initiate a federal review under the Navigable Waters Protection Act. That may be so, but if this federal government does not want another Rafferty-Alameda problem on its hands it will find a way to hold a review. It takes political will, starting

with Tory MPs from Manitoba who are not doing their jobs on this important issue.

* * *

[*Translation*]

MINING EXPLORATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, if it is to contribute to the Canadian economic recovery, the mining industry in Abitibi must first ensure the recovery of exploration, which provides its source of raw materials.

To make the exploration expenses financed by flow-through shares more effective, the Quebec Prospectors' Association is asking the Minister of Finance to allow the exploration work to be spread over a whole year following the year in which the funds were raised. Exploration companies would thus no longer have to rush to complete their work by February 28.

Other measures must be obtained, such as a 125 per cent tax deduction for underground exploration and 175 per cent for surface exploration, the exclusion of flow-through shares from cumulative net investment losses, the creation of a Canada exploration expenses account that would make the adjusted cost base the purchase price for investors no longer eligible for the $100,000 lifetime capital gains exemption.

* * *

[*English*]

FREE TRADE

Mr. Ross Harvey (Edmonton East): Mr. Speaker, it has now been four years since free trade became a reality, long enough for Canadians to judge it a success or a failure.

Last month I included a mail-back ballot in my regular householder. It asked two straightforward questions. The first was: Should Canada use its right to give six months' notice and get out of the Canada-U.S. free trade deal? Eighty-nine per cent said yes. The second question was: Should Canada stay out of any extension of the free trade deal which includes Mexico, and soon other Latin American countries? Ninety per cent said yes.

The verdict is in. These people in Edmonton East, and I suspect elsewhere in Canada as well, want out of free trade. The New Democrats, and only the New Democrats, are listening. We will release Canada from the free trade strait-jacket.

* * *

NATIONAL EPILEPSY MONTH

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the month of March is National Epilepsy Month. Epilepsy is the most common neurological disorder in Canada and it is estimated that 1.5 per cent of the population have had or will have some form of epilepsy in their lifetime.

During March, Epilepsy Canada and its member associations across the country will be sponsoring a variety of public education activities to promote the health and social well-being of Canadians. I am really pleased that this government has been supporting the ongoing efforts of this organization. As well, this non-profit volunteer organization has shown excellent leadership in the development of successful partnerships with the corporate sector.

• (1405)

Epilepsy Canada continues to promote ongoing medical research and public understanding in order to achieve a better quality of life for people with epilepsy. This organization is to be strongly applauded for its tireless and invaluable work in this area.

* * *

NATIONAL PHYSIOTHERAPY WEEK

Ms. Barbara Greene (Don Valley North): Mr. Speaker, it is my pleasure to inform the members of the House that the week of March 14 to 20 is National Physiotherapy Week.

Physiotherapists play a vital role in Canada's health care system. The theme for National Physiotherapy Week, "Physiotherapy: Teaming up for good health", emphasizes this role. It also highlights the increasing emphasis of the profession on illness and injury prevention.

The Canadian Physiotherapy Association, which provides leadership and direction to its nearly 8,000 members across Canada, will be sponsoring this campaign to increase awareness of physiotherapy. To celebrate the week special events will be held in the many places in which physiotherapists can be found.

I am sure the House will join with me in wishing members of the Canadian Physiotherapy Association the best of luck during National Physiotherapy Week.

* * *

THE LUBICON

Ms. Ethel Blondin-Andrew (Western Arctic): Mr. Speaker, after more than 50 years the human rights of the Lubicon people remain at stake and continue to be abused. Negotiations between the Lubicon people and the federal government have not taken place since 1989. This government has clearly reneged on its fiduciary responsibility.

The actions taken by this government on the Lubicon land claim reinforces this government's well-used technique of pitting one group of aboriginal people against another.

In the case of the Lubicon, the federal government funded splinter groups to undermine Lubicon progress and diminish band membership. It is the same story on the issue of extinguishment. This government's policies have split ties of friendship and the relationships of aboriginal families and their communities. There have been enough reports, studies, and bureaucracy, and enough take it or leave it tactics have been put forward by this government.

The Lubicon issue has now become a human rights issue. The United Nations Human Rights Committee has stated that the Canadian government's treatment of the Lubicon threatens their way of life and culture and constitutes a violation of article 27 of the International Covenant on Civil and Political Rights.

* * *

HOUSE OF COMMONS

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, one of the main continuing sources of public cynicism about members of Parliament arises from a lack of public confidence in the over-all compensation programs which pertain to those who serve in this House.

This comes not only from a perception that pension plans are too generous but also from a misunderstanding of salary and expense provisions.

Simply put, the Canadian public has not been well informed or consulted over Parliament's long history about the fundamental compensation structure by which members of this Parliament are rewarded and reimbursed for their work here.

The time is long overdue for a comprehensive review of all aspects of that program. It should be conducted on an independent professional basis by one or more of the most qualified consultants in the country. It should start with the recognition of the qualifications and capabilities that are required to be an effective MP and should include analysis and comparison with respect to equivalent job descriptions in industry and other professions.

Its recommendations should be based on the standards of professionalism that Canadians would always want at work in this Chamber.

With a general election and a new Parliament now clearly in sight, this is an ideal time to commission such a total compensation review.

* * *

THE MEMBER FOR HALTON—PEEL

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the member for Halton—Peel was elected chairman of the official languages committee on February 20, 1992. Two meetings were called that year, both at my request and insistence.

Under former chairpersons between May 2, 1990 and May 2, 1991 the committee met 26 times, some 13 times more than under the present standing committee chairmanship of the member for Halton—Peel.

Given his poor record of duty as chairperson it is no wonder that he found time to write in his latest book that half of the current parliamentary committees should be scrapped. His book, *Garth! Just what the hell is going on in Ottawa,* is his testimony to inefficiency and a complete lack of interest.

Maybe the member for Halton—Peel should take time out from his leadership campaign and do the job he was sent here to do by his constituents in the first place.

In this country official languages are no laughing matter. The Prime Minister should fire this uninterested member and reinstate a working standing committee with government members interested in the subject.

IRANIAN NEW YEAR

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I would like to take this opportunity to wish all Iranian Canadians a happy *Nowruz*.

This occasion, the Iranian new year, is celebrated on the first day of spring and marks the start of the Persian calendar.

I am proud to honour this special day and the 150,000 Iranian Canadians who will join in the celebrations. This day officially recognizes their significant contribution to Canada's unique cultural mosaic.

• (1410)

I know this is an important day for the Iranian community of Canada, and Dr. Sy Kazemi of Markham will be leading the *Nowruz* celebrations.

* * *

POVERTY

Mrs. Christine Stewart (Northumberland): Mr. Speaker, children are our nation's future. Despite repeated highlighting of the pathetic circumstances of over one million Canadian children who are living in poverty in this country we continue to witness government policies which aggravate the problem. We see a growing number of poor children become poor youth, who are not only unemployed and despairing but are highly costly to our Canadian society.

Instead of providing basic necessities to poor children and providing productive employment opportunities to our abandoned youth we have instead an abundance of expensive government programs to study the problems, words rather than action, and cuts, cuts and more cuts. Social and health agencies in Northumberland are being forced to decrease jobs and thus services to our most needy.

When will the government change its priorities and put people first? When will the government recognize that this country and its future belong to our children and youth? Federal government cuts to social program transfers are resulting in long-term, unsustainable social and health costs.

Canadians care. Why does this government not care?

* * *

[*Translation*]

AMEUBLEMENT TANGUAY

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, Ameublement Tanguay opened a $7 million distribution centre in my riding on February 24.

The president of this furniture company, Maurice Tanguay, has risen to the challenge in a very dynamic way and this venture will provide economic benefits which the Quebec City region needs.

For the Conservative government, the growth of small and medium-sized businesses is very important. This distribution centre is another example of the ability of entrepreneurship to develop Quebec and Canada.

I thank the shareholders and employees of Ameublement Tanguay and welcome them to Québec-Est.

* * *

[*English*]

PROGRESSIVE CONSERVATIVE PARTY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rise to express my concern about the glaring lack of competition for the Tory leadership race.

After much deliberation, after consultation with my handlers, after discussion with my family and friends and after considering the odds, I have decided to enter my horse, Slip Chaser. I am convinced that he will make an ideal candidate. He has no political experience and is in no way connected to the Tory government's policies. At age three, he is youthful. He was born and raised in western Canada. He has a winning record when it comes to constitutional matters. Just last year he won the Halton—Peel Conservative Association's own Constitution Pace. Moreover, he recognizes the importance of grass roots.

He can truly put a new face on the Tory party and nobody can deny that he truly represents change. I am confident that my Slip Chaser is the dark horse who can win the triple crown, which the present Prime Minister failed to do.

S. O. 31

JACQUES PARIZEAU

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, in an article in the Montreal *Gazette*, it states that during a trip to Paris last week Parti Quebecois leader Jacques Parizeau told a group of students that a sovereign Quebec would rely upon France even more than it has in the past.

Does this mean that Monsieur Parizeau welcomes the prospect of Quebec becoming a puppet state of France?

[*Translation*]

Even more important, is Mr. Parizeau saying one thing to the people of France and another to the people of Quebec?

* * *

[*English*]

THE CANADA COUNCIL

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Canada's cultural talents have been nurtured by the Canada Council, which can be justly proud of the achievements realized by our artists through its support. They are winners of Geminis, Genies, Junos and literary awards, and many have also captured world-wide attention by winning the Booker Prize, Prix Gaumont, Oscars, Emmys and architectural awards.

This government's ongoing starvation and latest bent on deficit reduction means a significant loss of the next generation of new and aspiring artistic greats; less "mentoring" of creative writers, dancers, composers, and builders; and less exposure to Canadian creative talent and support, as support is now decimated for touring by dance, music and theatre companies. This degenerative process cuts growth, appreciation and development outside of major Canadian cities, leaving our country culturally destitute and divided, its needs filled by foreigners.

Canadians need a strong cultural defence. I call upon the culture minister to have a talk with his leadership choice and ask her to give up one of her choppers to save Canada's cultural legacy from the chopping block.

• (1415)

WINDSOR, ONTARIO

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my constituency in the Windsor area has been hit hard by the Tory recession, the Tory FTA, the Tory high dollar and the Tory GST. This, our fifth most important industrial city, has among the highest unemployment rates in the country at 13 per cent.

In contrast to the Tories, for this city in need a friend indeed has been the Rae government. Over 30 provincial government initiatives had already led to hundreds of millions in new infrastructure, industrial expansion and hundreds of new jobs when last week it confirmed the casino project with its 8,000 new jobs.

Today Chrysler Corporation will announce new investment worth $500,000 in Windsor. Not only is that an expression of confidence in Windsor and its workers but as well in a government willing to contribute $40 million to help create jobs.

The federal government contributed just enough, $7 million to buy a ticket to the festivities for its minister of state for science. We know whom Chrysler, its workers and the community will thank the most. The government that cares enough to do its very best, the Government of Ontario.

* * *

CONSERVATIVE LEADERSHIP

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, last night deep in the bowels of the Prime Minister's mansion, not the one in Westmount but the one at 24 Sussex in Ottawa, we heard the puppet master was pulling strings once again.

The PM, and that stands for puppet master, was meeting with the Minister of the Environment. Were they talking about improving the economy or cleaning up the environment? No. They were talking about improving the chances of the Minister of National Defence to win the Tory leadership race.

Temporary jobs do not attract very many candidates or much attention. Tory MPs, like other unemployed Canadians, want full-time, permanent jobs. What the PM, and that means puppet master, does not appreciate is that Canadians do not want a change of Tory; they want a change of government.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Minister of Finance.

Last week the government was talking about a non-budget and a leadership convention. This week we heard that there may be a budget and a non-convention.

Will the Minister of Finance introduce soon a budget that will meet the economic needs of Canadians, or is he waiting to have a budget that will meet the needs of the Tory party?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. Leader of the Opposition will get both and he should be worried about both of them as well.

As the Prime Minister indicated last Friday, I was involved in my pre-budget consultation process. That process is well advanced. I have now had a chance to discuss the budget with my cabinet colleagues and I can advise my hon. friend that I will be bringing down a budget shortly after the House returns from the Easter break.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, we are glad to hear that, because the country needs a budget right now. And incidentally, there are a number of developments that will interest the Minister of Finance.

Of course we are very disappointed that the Minister decided not to run for the leadership of his party. He has always been well-liked, but unfortunately, his neighbour to the left decided otherwise. It is really too bad.

I would like to ask the Minister of Finance whether he intends to take the advice of the hon. member for Etobicoke—Lakeshore who said this morning that it was very important that the Canadian government not proceed with the helicopter program.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am not sure what the hon. member is referring to, whether he is referring to the fact that social payments should be cut or payments to provinces. Which part of that statement was he referring to? He may want to clarify that.

The fact of the matter is we will be building on the policies that are starting to demonstrate very clearly they are serving Canadians very well.

Mr. Riis: No, no.

Mr. Mazankowski: If I may, Mr. Speaker, last week Statistics Canada released a review of the leading economic indicators. This is what it said: The unemployment rate, down; help wanted index, up; department store sales, up; Bank of Canada and prime rate, down; housing prices, down; aggregate wages and salaries, up; planned construction activity, up; industrial capacity utilization rate, up.

• (1420)

Those are the kinds of policies we will follow.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, there is one thing the Canadian people know is going down. It is the government and the Conservative Party. There is no doubt about it.

I just want to know from the Minister of Finance if he has any intention of looking at other propositions that have been accepted by Canadians all across the nation today. One good way to put some of the unemployed back to work is to have in the next budget a program for infrastructure: one-third, one-third and one-third. In travelling across Canada the mayors are asking for that all the time.

When will this minister start listening to the Canadian people by reflecting the needs of the Canadian people right away and putting them back to work as they want?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, we will continue to build upon the December economic statement and the budget I brought down last February, both of which are serving Canadians very well.

The hon. member knows we have been going through a very difficult process of coming out of a recession and a difficult process of restructuring, but I can assure my hon. friend that our policies are the right ones.

As a matter of fact if the hon. member would cast his attention to an article in *The Financial Post* of a couple of weeks ago, the headlines said: "Clintonomics borrows heavily from Mazankowski". That is a pretty clear indication. The hon. member just a few weeks ago was advocating that the Clinton proposals were the right things. Well, here we are. Just like Panasonic, this government is slightly ahead of its time.

Some hon. members: Hear, hear.

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a supplementary question for the Minister of Finance. He boasts about the Tory record, but I see that he is just another Conservative minister who does not want to carry the can for that record as a Conservative leadership candidate.

The Minister of Finance says that he is building on the policies of the Conservative government which have brought us nothing more than 1.5 million people unemployed.

I want to ask the minister: In his budget is he going to do something to finally bring these unemployed Canadians some real hope and confidence for the future, or is it going to be just another one of those Conservative budgets that did nothing more than create 1.5 million people out of work?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, when is the hon. member across the way going to talk about some good news that is happening in his own backyard: a $500 million expansion for the Windsor plant? If we were to listen to Bob White he would have suggested that plant would have been built in Mexico.

The Toronto Star this morning says: "Autos help swell Ontario job ranks. The real growth is in automotive products. The big winner is machinery and equipment". That is positive news.

I have more positive news: Employment increased for the sixth consecutive month in Ontario by 6,000, resulting in an accumulative gain of 91,000 since August.

There is some good news occurring. Why does the hon. member not get on the band wagon and join with some optimism?

Hon. Herb Gray (Windsor West): Mr. Speaker, the expansion which we welcome came about because the previous Liberal government stepped in—

Some hon. members: Oh, oh.

Mr. Harvard: Way to go, Herb.

• (1425)

Mr. Gray (Windsor West): Mr. Speaker, the previous Liberal government stepped in to support that plant with loan guarantees which the Conservatives opposed. That is the history. That is the record. That is the truth, and the Minister of Finance is shaking his head in agreement.

I want to ask the Minister of Finance whether he will tell us that in his budget, which he now says he is going to bring down after Easter, he will announce the cancellation of the $8 billion helicopter program which Canadians do not want and instead bring forward a national infrastructure program that will create jobs in towns and cities right across this country. Will he make that commitment today?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): No, Mr. Speaker, I was not nodding my head in agreement. I was nodding my head in amazement. Amazing Gray is suggesting I follow the Liberal policies that gave us 22 per cent interest rates, 13 per cent inflation and 12 per cent unemployment. He wants us to go out and borrow or tax some Canadians to generate a $15 billion slush fund.

Where would he suggest that I get the money from? Whom would he suggest that I tax, or whom would he suggest we borrow it from?

Mr. Peterson: You gave us the great recession of the 1930s.

Mr. Mazankowski: As I have said in this House so often there is only one taxpayer, not a federal taxpayer, not a provincial taxpayer, not a municipal taxpayer, but one Canadian taxpayer. It will all come out of the Canadian taxpayers' pockets.

TRANSFER PAYMENTS

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister of Finance is correct. He is continuing to follow the Liberal policy of trashing transfer payments to the provinces.

Yesterday the Conservative Government of Manitoba added to its previously announced cuts to school-boards, hospitals, child care and other services by cutting off completely funding for friendship centres, crisis centres, aboriginal groups and representatives of the poor and the disabled.

Other provinces are contemplating crippling cuts to other social programs. What will the Minister of Finance do to restore services for those who are victims of these very hurtful economic policies?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, since this government has been in office our major transfer payments to the provinces have grown at an annual rate of 5.2 per cent per year, or 60 per cent over the period of time we have been in office, from $25.6 billion to $40.5 billion.

In his own home province the transfers to Manitoba will grow at an annual average of 6 per cent between 1984–85 through to 1993–94, expected to exceed $1.9 billion in 1993–94, and it accounts for just under 40 per cent of Manitoba's revenues. That works out to more than $1,700 per person.

The hon. member has got it all wrong. Transfer payments have not been cut; they have been going up. They have gone up by 60 per cent since we have been in office.

Mr. Rod Murphy (Churchill): Mr. Speaker, the minister knows that had he and Allan J. MacEachen not changed and changed again the formula, Manitoba would have received $280 million more this year.

Before the April budget will the minister meet with his provincial counterparts and discuss what they will do about the financial crisis and what will they do to preserve and create jobs in this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if we had followed that kind of logic, today we would have had an $82.5 billion deficit rather than a $34 billion deficit. That is what this government has had to do.

I ask the hon. member to consider what is happening in the provinces of Ontario, British Columbia and Saskatchewan.

• (1430)

They too are faced with the realism of fiscal restraint and they too have to structure their payments with discipline. That is precisely what we are doing because when there is a shortfall of $8 billion or $10 billion in revenue, governments must act, federally and provincially, and indeed municipally. When is the hon. member going to accept that responsibility? It is high time.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the government is fond of saying that there is only one taxpayer. Certainly the Minister of Finance is fond of saying that. This is folly to the students in my riding, particularly those who attend schools in the Transcona Springfield school division, whose quality of education will suffer because of education cutbacks that are directly related to years of unilateral federal cutbacks in the rate of increase in transfer payments to the provinces. These cutbacks began in 1981 under the Liberals, something they do not always admit.

What advice does the minister have for the people in my riding who, because they already have a small tax base, cannot possibly make up the difference in the way that some people in the wealthier parts of Winnipeg might be able to? What advice does he have for them? There may be only one taxpayer, but not all taxpayers are equal and this government's cutbacks and the Manitoba government's cutbacks are hurting people who can least afford it.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I wish I could provide the hon. member with a quick, simple and easy solution. Unfortunately there are not any quick, easy or simple solutions. The fact of the matter is that we have had to constrain our federal spending in a manner consistent with the revenues. That is a responsible approach. That is what provincial governments are faced with and that is what the federal government is faced with.

Notwithstanding that, as I indicated, our transfer payments to the provinces have been increased at an annual rate of 5.2 per cent per year since we have been in office or 60 per cent over that period of time.

In terms of transfer payments under the Canada Assistance Plan, those transfer payments have grown at a rate of 8 per cent per year. In the meantime, our over-all federal government expenditures have been sustained at a rate of about 4 per cent.

Clearly we are not fighting the deficit on the backs of the provinces or the municipalities. As a matter of fact, they are getting better treatment than other groups which rely upon federal government revenues. I ask the hon. member to consider that. I think it is very fair.

* * *

NATIONAL DEFENCE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Prime Minister. Last week the Minister of National Defence boasted that her policy is the full equality of women in the armed forces. We now know that at least three reports in the last year told the minister that no woman is safe from harassment and that when she complains, she suffers the consequences.

I ask, then, how could the Prime Minister let this go on, knowing that harassers are protected while the victims are punished?

Hon. Mary Collins (Minister of Western Economic Diversification and Minister of State (Environment) and Minister Responsible for the Status of Women): Mr. Speaker, I think we are all aware that harassment of any kind, sexual harassment or personal harassment, is unacceptable, but I would like to reassure my hon. colleague that the women serving in the Canadian Armed Forces do indeed have policies and programs to ensure that they will be able to serve free of harassment.

Indeed, it has been as a result of the work that was done by the advisory board when I was associate minister to bring some of these issues out into the open that has ensured that DND has been able to review its policies, to upgrade them, to ensure that there is mandatory education throughout the commands, that there will be appropriate procedures in place with independent harassment officers.

All of these initiatives are part of achieving the policy that the chief of the defence staff sent out throughout the Armed Forces last fall of zero tolerance of sexual harassment in the Canadian Armed Forces.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, it is leadership at the highest level that is required if women who have already been the victims of complaints of harassment are going to find any relief and if the situation is going to be stopped.

[*Translation*]

My supplementary is therefore directed to the Prime Minister. It has been five years since the Supreme Court informed the Department of National Defence that there was a serious problem with sexual harassment in the Canadian Forces. Will the Prime Minister instruct his Minister of National Defence to ensure that a person who is found guilty of sexual harassment is relieved of his duties?

• (1435)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have made considerable progress in this very difficult area, thanks in part to the vigorous approach taken by the Minister Responsible for the Status of Women. Granted, in some departments and in some parts of Canada the problem remains.

The Minister of National Defence has taken vigorous and effective measures to deal with the serious problem mentioned by my hon. friend. So far, there have been a number of improvements but, as Prime Minister of this country, I will not be satisfied until the problem of sexual harassment has been rooted out completely, in this department and in our society. Every citizen has an obligation to ensure that this problem is dealt with once and for all, in the interests of society.

[*English*]

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is also for the Prime Minister.

The Prime Minister knows that when a victim chooses to complain she becomes the immediate adversary of a powerful Canadian forces system, a male system which quickly will organize to humiliate and punish her further.

I ask the Prime Minister to immediately order an independent inquiry into all cases of sexual harassment

within the Canadian forces, an inquiry that will ensure it is the harasser and not the victim who is being punished.

Right Hon. Brian Mulroney (Prime Minister): I have just responded to my hon. friend in French and I can assure my hon. friend that the seriousness of this problem—

An hon. member: She understands French very well. It just was not a good enough answer.

Mr. Mulroney: Oh, I see.

Mr. Harvard: Like David Milford.

Mr. Mulroney: Mr. Speaker, given the seriousness of the question raised by my hon. friend, I would have thought that her colleagues in the Liberal opposition would have wanted to hear the answer without interruption.

The matter raised by my hon. friend has been given the highest priority by the Minister of National Defence. She will pursue this matter as vigorously as she pursued similar matters when she was Minister of Justice. I am sure the report that she will be able to make to my hon. friend in the House is one that she will find satisfying because we are in the process of dealing with this very serious matter.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, does the Prime Minister not realize that women in the Canadian forces see how other women are treated when they complain? They quickly learn to suffer in silence.

Will the Prime Minister immediately establish a process totally outside the military that will review any and all cases of sexual harassment, a process that will finally give women a fair hearing?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I apologize to my hon. friend that I am not *au courant* of the latest developments in the last number of hours that the minister has been working on. I can say that in general I support what my hon. friend has said. If there is a presumption to exist, the presumption is one of innocence and one of support in favour of the complainant.

There should exist a climate wherein a woman who makes an allegation of sexual harassment should be able to do so with all of the benefits of that presumption and in a climate which gives her the opportunity to bring this forward without reprisal and without the possibility of intimidation of any kind.

That is what we are working for and these are the procedures that the Minister of National Defence and the Minister Responsible for the Status of Women are pursuing. My expectation is that the Minister of National Defence will soon be able to give my hon. friend that assurance formally.

* * *

• (1440)

NATIONAL TRANSPORTATION AGENCY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport.

When the Minister of Transport tabled the NTA review commission report last week in this House, he sent it to the transport committee for a public review. Yet on Friday the government appointed the author of that report, Mr. Gilles Rivard, to take over the National Transportation Agency, an individual who has clearly made up his mind on the direction of transportation policy in this country.

Given his recommendations, including increased foreign ownership and ripping up more rail lines, how can the minister believe that Mr. Rivard will be the impartial chair of this quasi-judicial agency?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, if the implication is that nobody should have a clear mind in order to become president of that agency, I think he is completely wrong.

This man is very qualified. He made a review of the NTA with four other colleagues that were as well qualified. I do not see anything in that which would disqualify him from becoming the chairman of the NTA.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, this is not a question of the philosophy of the individual, it is a question of the fact that Mr. Rivard has already passed judgment on matters that are before the NTA.

The application to acquire one-third of the ownership of Canadian Airlines by AMR, CN's application to sell its main line from Truro to Sydney, CP's application to abandon all of Atlantic Canada are all matters dealt with in the Rivard commission report.

How can the minister in good judgment appoint a man who has already made up his mind on the specifics? Why does he not revoke the recommendation and the appointment now?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I repeat that this review commission was composed of five people who are well qualified experts in the field of transportation. This is a unanimous decision and I do not see anything in that which would disqualify this able person from becoming the chairman of the NTA.

* * *

TRANSFER PAYMENTS

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is addressed to the Minister of Finance.

The minister in response to an earlier question on the problems created in Manitoba by the lack of transfer payments refused to acknowledge that in terms of real growth transfer payments have not kept up with the problems facing Manitobans.

The real problem facing Manitobans is the lack of an economic strategy to create jobs and to create wealth within their province. I ask the minister today: When is this government going to turn its attention to the economic problems of Manitoba and begin to create some money to address these questions of poverty?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I will answer that question again, and for further clarity I will be glad to photocopy this and send it across the way.

Major transfers to Manitoba grew at an annual rate of 6 per cent per year between 1984–85 and 1993–94. This year the transfer payments are expected to exceed $1.9 billion. That accounts for about 40 per cent of Manitoba's government revenues and it is expected to exceed $1,700 per person, almost 40 per cent above the national average.

If that is not fair or beyond the scope of being fair, perhaps the hon. member may want to have an explanation sent over to me as to what he considers to be fair.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, the minister deliberately avoided the question. He did avoid the question. The question is this: If all these statistics are so great and if the strategy is so great, why does Manitoba, for the first time in its history, have the highest rate of child poverty? Why are all these groups being denied funding? Why is nobody able to make the economy work?

It is because this government sits there week after week and does nothing.

I again ask the government when it is going to start doing something for the Manitoba economy.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): As I indicated, perhaps that is a question he may want to address to the Government of Manitoba. The fact of the matter is that our transfers to Manitoba are 40 per cent above the national average.

If the hon. member was not so adamantly opposed to some of the initiatives, such as the free trade initiative and the GST initiative which are helping drive this economy out of recession, and if he was out promoting that rather than criticizing it every day, perhaps the attitude might change. I happen to believe, having just returned from Manitoba, that the economic outlook in Manitoba is improving there as it is right across the country. It is relying on exports. It is using the tools that this government has provided. I know that the hon. Minister of Finance from the province of Manitoba, the Hon. Clayton Manness, is a responsible individual. He will bring in a responsible budget that will deal with not only the fiscal problems but also the economic problems to which the hon. member has referred.

* * *

• (1445)

TORONTO ECONOMY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is also for the Minister of Finance. Like everywhere else the number one issue facing metro Toronto is the stagnating economy.

Nothing illustrated this more dramatically than a weekend report by Gerard Kennedy, director of Toronto's Daily Bread Food Bank. He stated that almost 10 per cent of metro's population have had to use a food bank. Of the 162,000 people who are dependent on it today over 2,000 are pregnant women, 70,000 are children, 12,000 are disabled and over 14,000 are in poor health.

Given that this represents a city within a city and a disturbing indictment on the *status quo*, can the minister assure us that whenever he presents his new budget he will abandon the old and failed Tory economic agenda? Will he seek new solutions that will create new jobs, new opportunities and above all, new hope which Canadians are desperately in search of?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I appreciate the sincerity with which the hon. member poses the question and I sympathize with the difficulties.

The fact still remains that we are making progress. As I indicated earlier, employment in Ontario has increased for the sixth consecutive month resulting in a cumulative increase of 91,000. Ontario has gained 76,000 new jobs with more than half of those coming from the manufacturing sector. I think he would agree with me that there is progress.

He suggests that we shift gears and change the thrust of fiscal and economic policy in this country. The hon. member and I disagree on that. I think what he is suggesting is that we should borrow more money to spend more, or that we should tax more to spend more. I am sorry. I just do not agree with that kind of approach. I do not agree with his leader when he suggests that we can borrow money at the federal, provincial and municipal levels. You cannot borrow your way to prosperity and I think the hon. member should recognize that.

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary is for the same minister.

In response to the food bank crisis in Toronto the federal department of health and welfare last month spent $75,000 organizing a conference which recommended such solutions as establishing a community-wide soup kitchen and actually another idea suggesting we should begin to grow food in the Toronto public park areas.

Instead of wasting taxpayers' dollars chasing hare-brained ideas, why can the government not finally and very simply recognize that the most effective solution for such hard-pressed Canadians is a good job with decent pay? This means that the government simply must change course and produce a new economic strategy because the old one is not working.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I agree with the hon. member. The best social safety net is a job. This is what Phil Cross of Statistics Canada had to say in an article published in *The Toronto Star* on March 16 which stated:

> "The real growth is in automotive products, and the big winner is machinery and equipment. There have been just some spectacular gains," Phil Cross, the federal agency's director of current analysis, said yesterday.
>
> Cross said the gains were registered over the 12 months since February 1992.

I think that certainly does offer hope. It certainly means jobs are being created. The export demand is there. The economy is being driven by exports and by enhancement in productivity. This is thanks in part to the free trade agreement, thanks in part to the GST and thanks a whole lot to the policies of this government.

* * *

[*Translation*]

MINING EXPLORATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. If the mining industry is to contribute to Canada's economic recovery, it will first have to ensure there is a recovery in exploration activities.

• (1450)

Could the minister give us his position today on spreading exploration activities over an entire year, tax deductions for underground and surface exploration, the exclusion of flow-through shares from cumulative net losses on investment and the creation of a Canadian exploration expense account, to help the mining exploration sector in this country after the first federal budget?

[*English*]

Hon. Bill McKnight (Minister of Energy, Mines and Resources): Mr. Speaker, ordinarily I would say that is a question for the Order Paper. However, knowing my colleague's interest in the mining activity in the part of the country he represents, I would like to reply that in the exploration for using flow-through shares, it can be spread throughout a whole 12-month period even going 60 days into the next year.

Also, under the federal Income Tax Act, there is not a differential between the subsurface and surface use of flow-through shares to provide for exploration initiatives. The hon. member should also know that the federal income tax rules require that only 50 per cent of the exploration expenses be financed through flow-through shares in order to allow flow-through shares to be used for exploration.

As to the establishment of a Canada account, I am sure he would catch the interest of the Minister of Finance. I would be pleased to have discussions with the member for Abitibi and my colleague, the Minister of Finance.

* * *

HEALTH CARE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my question is for the Minister of National Health and Welfare.

Is the minister aware that doctors and medical specialists in Prince George and other communities in British Columbia have opted out of medicare and are charging fees to patients? That is extra billing by any other name.

If the minister is aware of this situation, can he tell the House whether his department has been consulting with the B.C. government on this situation to try to determine any future action either government might be able to take on this situation?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, it is a very good question. We are actually in touch with the Government of British Columbia to ascertain the exact story of extra billing in that province. My hon. friend knows very well that the Canada Health Act does not allow extra billing by the provinces or doctors.

I repeat that we are in touch with the province. If there is any problem, we will act accordingly.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I appreciate the minister's answer. Examples have been prepared out of Prince George and other communities where some medical practitioners are asking for additional fees up front from patients. I will provide that information to the minister.

I would like to know what specific measures or action the government might have at its disposal in consultation with the minister of health in British Columbia to try to end these practices.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the very short answer is that I will enforce the Canada Health Act, dollar for dollar.

In other words, it is known that we transfer money to the provinces with regard to dollars accepted by the Canada Health Act. If there is any extra billing in the province of British Columbia in collaboration with the province itself, we will make sure it cannot happen any more.

* * *

TRANSPORTATION

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Transport. Yesterday I got a great answer from the Minister of State for Agriculture about the feed freight assistance program. I hope the same happens today.

The Atlantic Provinces Transportation Commission has made a presentation to the Department of Transport about a far more equitable and fair formula for the maritime freight rate reduction.

I wonder if the minister could give us some good news on that. Will he consider that plan and accept it?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, as the hon. member knows, we have been working with the Atlantic Provinces Transportation Commission to try to arrive at a consensus.

Thanks to his own involvement and that of his colleagues, I am happy to report today that we have come to a consensus of reducing the subsidy on the basic westbound portion of the agreement, eliminating the subsidy on used household goods and scrap materials and reducing the intraregional subsidies by 10 per cent. I think this is good news for everyone concerned.

* * *

SMALL BUSINESSES

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my question is for the Minister of Finance.

In his economic statement he committed support to small business through the Small Businesses Loans Act. There are approximately 960,000 small businesses now eligible under this act. In the last two weeks several small business people have come to me. They have been to financial institutions. The financial institutions say they either know nothing of the Small Businesses Loans Act or they are not going to co-operate.

• (1455)

When will the minister stop ripping the heart and guts out of small business and start promoting this piece of legislation?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the bill was initiated by this government. My understanding is that it is currently before the Senate.

I want to take this opportunity to thank the hon. member for his co-operation. He and I and our colleagues over here are on all fours on this particular piece of legislation.

I have had discussions with a number of financial institutions and banks which are very supportive of it. I have had discussions with chambers of commerce and small business organizations that are looking forward to this legislation. It is a very major advance forward and will help the small business community very much. He and I both agree that the small business sector is the main engine of economic activity and job creation. This will be very helpful.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my supplementary is for the same minister. I sat in committee. I worked with this government. We co-operated and put the bill through in record time. The banks were there. They committed to support this. Your minister of small business committed. It is not happening.

Mr. Speaker: I am sure the hon. member knows how to put the question through the Speaker and I am sure he will.

Mr. Mills: In this country, small businesses are our greatest hope for new job creation. My question through you, Mr. Speaker, is when will the Minister of Finance honour his commitment? When will he give us an undertaking to promote this bill throughout Canada and also call in the banks so that they will begin to act on their own commitment?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I generally appreciate the hon. member's enthusiasm. We have already had discussions with the banks.

The legislation has not received Royal Assent. As soon as the legislation receives Royal Assent we will conduct the kind of campaign the hon. member is talking about.

* * *

IMMIGRATION

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the minister of immigration.

Yesterday the department of immigration announced the closing of eight local offices throughout Canada and the virtual closing of 28 others. This is simply to proceed with the centralization of its services in Vegreville, Alberta.

How can the government so callously leave thousands of Canadians without important immigration services simply to prop up the re-election possibilities of the Minister of Finance?

Hon. Bernard Valcourt (Minister of Employment and Immigration): The hon. member refers to the member for Vegreville. For his information, for over 25 years now the minister has been re-elected to this House and knowing him, I know he is in for another 25 years.

The hon. member is suggesting that Canadians would be deprived of services. I want to correct the record and correct his statement because it is not correct.

The Canadian public will be better served with this case processing centre. Instead of people having to line up in offices and wait hours for service, they will be able to use a mail-in system. This has been proven to be very successful, so the people will be better served. More important, Canadian taxpayers will save money and I know Liberals do not care.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, this proposal to replace face-to-face immigration interviews by a centralized paper review in Vegreville, Alberta will take longer. It will generate more errors. In the long run it will cost more. The pilot

projects show that. In addition, this proposal will facilitate fraudulent applications from the criminal element.

Why does the minister not listen to reason and send this pork-barrelling project back to the drawing boards as quickly as possible?

• (1500)

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, Canadians will find little comfort in the assertion of the hon. member that using new technologies, trying to better serve the public with new technologies, with a more effective and efficient service, is going backward.

I know that the Liberal approach to things is to go back and see in the past a solution for the future, but that is not the way to go.

People will be better served by this new service, will benefit from it and, more important, taxpayers will save money. That is what we have to do.

* * *

[*Translation*]

BILL C-7

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Labour.

On June 11, 1992, this House passed Bill C-7, respecting the status of the artist. On June 23, 1992, the bill received Royal Assent. Today, March 16, 1993, the legislation is still not in effect. As a result, associations representing artists are unable to settle a number of important issues, which has very serious implications for many artists.

The Minister of Communications has already told artists that the legislation required a complex process. If the process is so complex, I would like to ask the Minister of Labour when he intends to consult the interested parties and when the legislation will finally come into effect?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I am pleased to inform the hon. member that it will not be long.

* * *

[*English*]

FORESTRY

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

It is my understanding that European governments are about to ban green lumber shipments from Canada because of a high nematode infestation and that this ban is going to take effect on June 1 this year.

Further I understand that because of the increased costs for kiln drying and heating our manufacturers are going to be at a disadvantage for costs they cannot recover.

In light of what is really a trade sanction disguised as a scientific sanction, what action is being taken to alleviate the situation? Is there any prospect that the ban can be postponed? Can our industry be competitive with heat treated lumber on a certified basis?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, my friend is correct. This is a very serious issue in the sense that it puts at risk potentially $300 million worth of trade with the European Community. It is for that reason we are dealing with it at the highest level.

Our efforts in the first instance are to ensure that our European colleagues understand the clear distinction between plant health issues and trade. We have applied for an extension to allow us to do further studies. We have also applied for a species exemption to allow those species that are not affected by the nematode to be shipped freely.

We expect some answers from the Europeans in due course.

Mr. Speaker: I want to advise the House that I have a question of privilege from the hon. member for Timmins—Chapleau, but before hearing that I want to respond to a question of privilege brought by the same member on March 11.

PRIVILEGE

LEGISLATIVE COMMITTEE ON BILL C-113—SPEAKER'S RULING

Mr. Speaker: On March 11, 1993 the hon. member for Timmins—Chapleau raised a question of privilege concerning an occurrence in the legislative committee on Bill C-113 the previous day. Members of the committee had found remarks made by a witness to be offensive; and after the witness had refused repeated requests from both sides of the committee table and from the chair to withdraw the remark, the committee had agreed to a motion that his evidence be expunged from the committee's record.

The hon. member indicated that the action taken was not within the committee's powers because committee evidence and the testimony of witnesses before the committee are privileged; because the correction of the record, which is within the power of committee, cannot extend to the expunging of whole sections of the verbatim transcript, and finally because a majority of the committee's members had acted to silence the witness. He also suggested that the chairman of the committee might have intervened during the hearing of the testimony to caution the witness or even to eject him.

In support of this position the hon. member for Notre-Dame-de-Grâce added that the extreme measure taken, of expunging the entire testimony because of one unacceptable statement, was unprecedented in his experience and contrary to democratic parliamentary procedures.

• (1505)

The hon. member for Red Deer, the chairman of the committee, then briefly related the events in question from the committee chair's perspective. He indicated that he had been reluctant to interrupt the testimony at some earlier points on account of questionable remarks and that "one extremely inflammatory—statement" had come at the very end of the testimony. At that time he had asked the witness to withdraw the remark. During the subsequent discussion he and other members had repeated this request; but when the motion to strike out the witness' testimony was proposed he felt he had no choice but to put it before the committee.

The hon. member for Ontario who had proposed in committee the motion which has been brought to the Speaker's attention, argued that the committee's action was in order because a committee like the House has the power to enforce the rules of order and civility on all those within its ambit and also the power to order the exclusion of the public from its meetings. He also pointed out that the House had not yet received the report from the committee relating to this question citing Beauchesne's sixth edition, citation 107, which states that the House deals with a question of privilege arising in committee on report from that committee.

[*Translation*]

I would like to thank the members who contributed to the discussion on this point for the conciseness and restraint they have shown in making their arguments. The events occurring in committee were clearly such as to cause strong feelings, and the Chair appreciates the rationality and objectivity with which all members put their points of view.

[*English*]

I would particularly like to thank the hon. member for Red Deer for his help. He seemed at one point to be beginning to wonder if the chair of a legislative committee was as great a mark of honour as he had supposed; but I would like to assure him that, in the eyes of the Speaker, selection to the Panels of Chairmen, like election to the Speakership, is a distinct mark of honour if not always good for the nerves.

With regard to the question that has been raised, I need hardly detail to the House the many occasions on which the Chair has clearly stated its reluctance to interfere in the proceedings of a committee. I have already mentioned the quotation by the hon. member for Ontario of citation 107 of Beauchesne.

[*Translation*]

As the House knows, however, this rule is not entirely inflexible. The Speaker may pronounce on such a question if it is very serious or urgent or if there is a lack of direct or recent Canadian practice available for the guidance of members. Such a departure from regular practice cannot in my opinion be considered a precedent.

[*English*]

There are in fact some Canadian precedents for the deletion of short passages of the *Debates* of the House because of their unparliamentary or offensive character. The most recent of these that the Chair has been able to find dates from April 3, 1933, when the Speaker ruled that an unparliamentary word previously used in the House should be expunged from the *Debates* of that day.

May's 21st edition at page 634 states that committees have expunged evidence which is "improper or inadmissible—which properly speaking [was] not evidence—and even the whole of the evidence given by a witness". This is in accord with the implications of our own Standing Order 113(5) which gives a legislative committee the power "to print from day to day such papers and evidence as may be ordered by it"; and therefore necessarily the power to decide not to print.

The procedural objections raised to the committee's action were, very briefly, because testimony is privileged and because the correction of the record cannot extend to wholesale deletion. It seems to the Chair that the privileged nature of testimony mentioned in Beauchesne's sixth edition at citation 106 refers to the witness' immunity from prosecution rather than to any inviolability of the evidence itself. I agree that what was done in this case is not a correction as envisaged in Beauchesne's sixth edition, citation 828, but rather as I have mentioned a decision not to exercise the power which the committee undoubtedly possesses.

Such a decision by a committee would of course be noted in its Minutes of Proceedings and Erskine May suggests, at page 636 of his 21st edition, that "the committee—indicate in the evidence as printed the places in the text where material had been omitted". I understand in the present case these measures have been taken.

• (1510)

In conclusion, the Chair must find that the actions taken by the committee, as outlined by its chairman, were within its powers and that the matter raised by the hon. member for Timmins—Chapleau does not under the circumstances constitute a question of privilege.

I have a further question of privilege from the hon. member and I will hear the hon. member.

PROCEEDINGS OF LEGISLATIVE COMMITTEE ON BILL C-113

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I must say that I am very disappointed in your decision.

Mr. Speaker: Just a minute. The hon. member may be disappointed in the decision but the duty of the Chair is to bring decisions down according to the rules and according to the procedural law. It is completely improper and certainly not appropriate for an hon. member to start off on a second question of privilege arising from the same committee, and it just may be that the Chair is being very generous in even hearing it with that kind of a criticism. If the hon. member does not like the decision the hon. member has other places where he can go and express it, but not in this Chamber.

Mr. Samson: Thank you, Mr. Speaker. You are quite right. I withdraw the comment and I do apologize to the Chair.

Mr. Speaker: I just want to say to the hon. member that I appreciate the comment and the apology is accepted.

Mr. Samson: Mr. Speaker, I am rising on a question of personal privilege concerning the legislative committee studying Bill C-113. On March 11, 1993 I raised the question of privilege in the House concerning the decision by the majority of the committee studying Bill C-113 to expunge the testimony of the witness.

My point is very short. I am at a loss as to how the committee could proceed prior to hearing your decision. Beauchesne's sixth edition, citation 693, deals with clause-by-clause study of legislation and states:

> (1) Before beginning its clause-by-clause study, the committee will usually call the sponsor of the bill and such witnesses as it deems necessary, to give evidence upon the merits of the bill.

While the committee called witnesses who testified on the merits of the bill, the question of privilege I raised related to procedural and substantive defects with how the committee dealt with one of those witnesses. Beauchesne's clearly establishes a condition that must be satisfied before a committee can begin clause-by-clause study of a bill.

My earlier question of privilege was one which had to be dealt with by you, Mr. Speaker, since it was argued that the committee exceeded its jurisdiction. The decision of the majority of the committee to proceed with clause by clause, without first hearing the ruling of the Speaker, is I believe a display of contempt for the Speaker of this House. This is especially true, given the fact that the committee was given the option this morning of suspending clause-by-clause hearings and the majority of members of the committee chose not to wait for Your Honour's ruling.

I ask that the proceedings of the committee today be declared a nullity. I also ask that this matter be referred to an appropriate committee of this House for disciplinary action of the chair and the majority members of this committee.

Mr. Speaker: I have listened very carefully to what the hon. member is saying and I understand. I want the hon. member to know that I understand there is some dispute going on within the committee. It is not for me, at least at this point, to enter into one side or the other of that dispute.

The point the hon. member has raised is an interesting one. I will consider it very carefully and will report back, as of course I am obliged to do and which I would want to do. But I do want to make one thing clear: However I may report back, I do not think I have any power to interfere with the proceedings of the committee at this time.

I will take the hon. member's comments under advisement and I will return to the House to try to give an appropriate response as soon as possible. Again I thank the hon. member for his courtesy.

Mr. Nelson A. Riis (Kamloops): I rise on a point of order, Mr. Speaker. I listened carefully, along with others, to your ruling and I simply seek clarification on two points.

• (1515)

First, the evidence referred to in your deliberations, Mr. Speaker, was presented again yesterday. It was exactly the same evidence and was accepted yesterday. In other words the evidence that was removed from the record one day was accepted the next, and I seek clarification on how this can be done.

Second, do we understand now that if members feel strongly—I think that was the term you used in your ruling—it means the majority through a motion can then eliminate from the record what has been said? Is it fair, now that we have assumed that is the case, that we might apply the same here in the House of Commons, that is if the majority of members of the House of Commons had strong feelings on an issue they could introduce a motion and again have *Hansard* stricken in terms of some of the evidence presented here?

Mr. Speaker: First of all I want to say to the House that the hon. House leader of the New Democratic Party, the hon. member for Kamloops, rises on this matter. The hon. member is a very experienced member of this House as we all know, and I am taking very carefully into account what he said.

The answer to the first part of the hon. member's question is this. As I understand it a completely different witness went in front of the committee and said much the same thing that had been said by the witness that had caused the committee to expunge the record at a prior time, and in this case the committee decided to do nothing but to hear it out. That of course is within the prerogative of the committee.

There certainly cannot be any criticism of the committee for having heard a witness and allowed the witness to say whatever it was, no matter how offensive some members of the committee may have thought it was. That is the answer to the first part of the question.

On the second part of the question I would ask the hon. member to perhaps find a moment this afternoon to look carefully at the recent opinion that I gave which basically comes down to this: The committee does not have to report all of its proceedings. I think the hon. member will see that is really what the judgment turns on, but if the hon. member is having further difficulty with it after having had a chance to look at it I would be pleased to discuss it with him.

GOVERNMENT ORDERS

[*English*]

FARM CREDIT CORPORATION

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mayer that Bill C-95, an act to continue the Farm Credit Corporation and to repeal certain acts in consequence thereof, be read the third time and passed.

Mr. Maurice Foster (Algoma): Mr. Speaker, when the House adjourned for the lunch hour I was talking about the Farm Credit Corporation Act at third reading of Bill C-95.

The bill makes a number of important improvements in the structure and organization of the Farm Credit Corporation. It gives it more independence and so on. The real acid test of whether it will make any difference in the back concessions of Canada will really depend on whether the government provides additional funding. This will be especially important when we look at the fact that this legislation will provide for funding beyond the farm gate for further processing and so on.

Clearly the facts of the matter are not very encouraging. If we look at the amount of funding and the amount of loans that are being provided by the government, we see they have dropped by some $1.2 billion in the last five years. The government is not increasing the amount of funding available. In fact it has reduced it by almost 20 per cent over the past several years. Although the legislation as passed will be beneficial, the question is how the government will actually operate it.

I spent some time this morning pointing out that the net farm income is projected in this calendar year to drop by almost $1 billion. The government has given no indication that it is going to provide the same level of support in this coming calendar year as it provided even in 1992. We saw the tremendous rallies in Lucknow, Ontario and Saskatoon in the first couple of months of this year, where tens of thousands of farmers rallied to protest the lack of action by the government.

• (1520)

It seems to me that the government's approach over these past several years has been to increase the support to the industry, tied to the prospects or likelihood of a general election. In 1987-88, the support was very high for the grain industry which is facing an extremely difficult time because of the international grain wars that are going on between the European Community and the United States. In 1990-91 the support was reduced. Everything was set for a larger amount of funding in 1992 and that occurred, except it occurred when prices were still at a very low level and inclement weather meant that many thousands of farmers in northern parts of Saskatchewan and Ontario were not able to harvest the crops.

Although this legislation is a good structure, it is really permissive legislation that allows the government to do certain things and the Farm Credit Corporation to do certain things. Whether or not they will ever do it remains to be seen. Clearly the financial crisis facing rural Canada this year is absolutely devastating. In Saskatchewan, the net farm income is dropping from more than $600 million to some $238 million. Three or four years ago it was almost $1 billion in that one province, which is so dependent on a healthy farm economy.

Last fall the government should have realized what an extremely bad situation there was. It was the worst for crops in southwestern Ontario and Ontario generally. The fall months were cold and wet and the corn crop could not be harvested. What did the government do? It fumbled around until about late September or early October trying to decide whether or not there would be an advance payment regime. This program, which the government wiped out three or four years ago was brought back within a matter of months and the interest free cash advances were provided on the first $50,000 under that program. The government did not make up its mind for several months whether or not this program would be reinstated this year. It short-changed the program so there was only some $41 million. The Ontario Corn Producers Association had to go from bank to bank trying to find somebody to fund the program which it operates on behalf of the Government of Canada.

On top of that, for a number of years in western Canada when there were difficulties harvesting wheat or a grain crop, it was possible through an Order in Council and special arrangement to have unthreshed grain paid

for or a farm advance provided for it. In the Ontario case, the government spent several months making up its mind whether it would provide this help for the 25,000 corn producers who are facing the worst cropping situation in history. Finally it came through with the $15,000 limit rather than the $50,000 limit which is available for threshed, harvested corn.

If the government is willing to provide a $50,000 interest free cash advance for threshed or harvested corn, why would it lower that limit when farmers are facing the terrible situation of not being able to take off the crop? Yet that is exactly what happened. In the end, the whole thing floundered. I think there were only 20 producers out of 25,000 who were able to even take advantage of that program. It is a case of niggling and nickel and diming and fighting for every dollar that is needed even though the economic situation for many of these commodities was as bad last year and this year as it was in the 1930s.

• (1525)

We are glad the bill is going to be passed. We hope it will not take very long to be passed in the Senate, but the over-all situation is that the farm financial crisis being faced this year should be the priority for the government.

We know farmers are facing a $1 billion reduction in net farm income. We know the government has chopped the estimates for the Department of Agriculture by over $600 million. Producers really want to know why the parliamentary secretary cannot come into the House today and say the government knows the net farm income is going to be down dramatically this year. It knows there is going to be a general election some time this year, whether it is in the fall, summer or spring. The parliamentary secretary, who was so positive on third reading debate, cannot make a clear statement outlining exactly what additional financial support will be made available, not just for this bill but to help farmers face the perilous drop in net farm income which in Saskatchewan is simply a disaster. It is about a quarter of what the net farm income was four or five years ago.

If the government really wants to show its commitment to agriculture this would be the time to make that statement. I think the parliamentary secretary has seen the tremendous devastation in the corn crops and the difficulties of harvesting that crop last fall. Much of it is still in the fields in southwestern Ontario. I really do not know why he would not move in and help.

Right now we not only face the fall-out from the grain trade or subsidy wars that are going on, but we face the tremendous uncertainty of the free trade deal. The NAFTA is even more uncertain now because we do not know whether the United States is going to accept it. There are also the GATT negotiations.

So much of that uncertainty goes back to the FTA itself. There are problems with the countervail duty that the Americans are trying to impose on our hog producers. There are problems we face with regard to durum wheat. Investigations have been carried out by the United States International Trade Commission with regard to beef production. So much goes back to the FTA. The Prime Minister went to New York and said that American trade law cannot apply to Canadian producers. Ask the hog producers who have had to pay a countervail duty off and on since 1985.

There is great uncertainty in all the sectors. I think there is greater uncertainty now in the supply management and marketing areas than there ever has been because the GATT negotiations have proceeded and stopped, proceeded and stopped, and at some stage you start to wonder if there ever will be a GATT agreement. Either way people in the supply managed sector are very uncertain of their future.

If there is a GATT agreement, clearly the Dunkel commission report which we are concerned this government will accept, will bring in tariffication. Ultimately that will open the borders and drive down the price of poultry products and dairy products. If there is no agreement, then we face the ice cream and yoghurt decision under the FTA. Clearly the government promised it was going to provide import controls. John Wise, the minister for agriculture at the time, stood in this House and said the government had no fears that producers would be protected. Commodities like ice cream, yoghurt and so on would simply be taken from the tariff lists and put on the import controls list. Clearly the government misled Canadian producers.

• (1530)

As soon as that was done in the fall of 1989, the United States immediately took Canada to the GATT, had a panel struck and within nine months of its complaint had a decision that the import controls being put on ice cream and yoghurt were not in keeping with our international commitments. That decision is sitting there waiting for the United States to demand that it be implemented.

If the GATT agreement does not go ahead it will clearly demand access for those two dairy products. If it makes that stick, it can demand access to our markets for cheese, butter and milk powder. Then the whole supply management marketing system, which has been so beneficial for some 34,000 of our producers will start to crumble.

Either way there is great uncertainty today for the supply managed commodities. It really goes back to that FTA agreement in 1987.

There is very great uncertainty, whether one is talking about the grains and oilseeds sector or the supply management sector. It is nice to see the Minister of State for Agriculture here in the House when we are debating the Farm Credit Corporation Act. He knows the previous Minister of Agriculture misled the dairy farmers and poultry farmers when he said their supply managed marketing boards were fully protected and they would be protected by putting—

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. Minister of State for Agriculture.

Mr. Blais: I note that the experienced member for Algoma knows better than to say that the former Minister of Agriculture misled. It is not true. I think my hon. friend should reflect on that and withdraw his words. I think it is not true when one looks at what the government has done for dairy farmers and particularly how it has defended the system in Canada. It is the best system in the world.

[*Translation*]

The Acting Speaker (Mr. DeBlois): A situation like this is always very difficult for the Chair, because in debate, interpretations can vary widely from one side of the House to the other. I prefer to let freedom of speech prevail in such cases. The hon. member for Algoma may proceed.

[*English*]

Mr. Foster: Mr. Speaker, it is nice to see that the Minister of State for Agriculture is not so preoccupied with the leadership convention of the Tory party that he recognizes that dairy farmers and poultry farmers are very concerned. They are very concerned because the former Minister of Agriculture, Mr. Wise, told farmers: "You have no fears about this government selling you out. There are no fears that the supply management system is going to be protected".

When he announced to the dairy farmers of Canada in January 1988 that he was going to put ice cream, yoghurt, butter, cheese and skim milk powder on the import control list, Mr. Bentsen, who was the chairman of the Senate finance committee in the United States said: "Mr. Wise, if you do that, we will take you to the GATT and we will open those markets for ice cream, yoghurt and similar products, so don't do it". Mr. Wise said there was no problem, he could do that. Mr. Bentsen reminded Mr. Wise that there was no provision in the FTA for import controls on Canadian dairy or poultry products. The United States has it. It has its GATT waiver. It has complete control. However, in the FTA there was no provision in that way.

• (1535)

After the election in 1988, the government went ahead and put these products on the import control list. The United States government immediately challenged Canada and asked for a petition to GATT to set up a panel. That GATT decision was rendered in September 1989. The government tried to cover it up for months. Ultimately even the Minister of State for Agriculture from *la belle province* agreed, reluctantly I believe, because they had made a promise to accept that GATT panel decision.

Here we sit with a decision by a GATT panel in December 1989 calling on Canada to open its border to ice cream and yoghurt. That precedent could be applied equally to other processed dairy products. Processed dairy products represent 63 per cent of all of our production. One significant thing about it is that a disproportionate amount of it, on a population basis, is located in the province of Quebec. It will really fall to the Minister of State for Agriculture in Quebec if and when the United States demands access for those commodities to explain to those industrial milk producers in Quebec why he ever agreed to that arrangement. Clearly

there was no provision made in the FTA to protect those commodities.

That is why producers are very concerned. They know that the FTA exposed them. They know that the government lost all of its bargaining power in the GATT negotiations. Because the Americans had already gained access, why would they negotiate very hard or at all in those GATT negotiations?

That is why our position has been so weakened in those GATT negotiations. It is because the Americans already have access under the ice cream and yoghurt decision for processed dairy products. They could easily go back and get similar decisions for skim milk powder, butter, cheese or other commodities or poultry products.

There is very great concern not only that the government has sold out in the FTA, but that the ice cream and yoghurt decision really weakened Canada's bargaining power with the United States which after all is a big player.

It was not surprising three or four months ago when the chief negotiator for Canada announced that Canada had lost support. Where there were six countries supporting supply management a year ago, by January or by October last year it was down to only one or two. It is just one step after another that has been a relentless move toward tariffication. That is the American proposal which helps them but would destroy our supply management system.

There is very great concern as to whether the government really has any clout or any bargaining power at all. It is strange that the Prime Minister in New York back in 1987 said that the United States trade law could not apply to Canada and he would make sure that happened.

Of course he did not get it in the FTA. The FTA leaves our producers of steel, forest products, hogs, Durum wheat or whatever open to United States countervail duty.

• (1540)

It is interesting that in the North American free trade agreement, the government did not go back and try to get those things. It is amazing that after the experience we have had with the constant harassment of anti-dumping and countervail duties, that it did not go back and correct that and get a subsidy code and an anti-dumping code put in. Every other international free trade agreement in the world has them. Yet for some reason or another apparently the government did not even try.

Why did the government not say to the Mexicans: "Look, we really got taken on the FTA. Let us combine our forces and get an anti-dumping code. Let us combine our forces and get a countervail duty code. If we have support programs then we will know exactly what support program is going to be subject to U.S. countervail duty and how to handle anti-dumping activity by United States corporations". Yet we look at the NAFTA and all that is there.

That is exactly why we argued in the 1988 general election that the government is better off to negotiate in the GATT. There is over-all support from 108, 110 or 120 nations and the United States is not a country with 10 times the economic power that Canada has or maybe 20 times the economic power that the Mexicans have.

Clearly it cannot be argued that somehow or another, the government got mixed up and did not know what it was not getting in the free trade deal in the fall of 1987. Clearly it knew it was not getting anything in that regard.

It is even worse when it comes back with a NAFTA deal in the fall of 1992. Here is another deal where it did not make any arrangements. Fortunately the Clinton administration is concerned about some of the other things we did not get, things like environmental and labour standards. Of course Canada gave up its energy provisions which Mexico got. We did not stick for those same energy arrangements.

One has to ask what kind of negotiators we have. Our whole supply management system is in a turmoil and very concerned about what is going to happen in the future. Our food processing industry, the second largest industry in the country, is very concerned. Over 100 plants have been closed or have moved to the United States. Some 34,000 jobs have been lost in that processing industry, much of that due to the FTA and the move by the United States to take over those sectors.

It is most unfortunate. This Bill C-95, the FCC bill, provides assistance for further processing. However, if an industry has been wiped out by the FTA and has moved its plant to the United States, it is hard to save

the horse when the stable doors have already been thrown open.

The bill we are passing today is a good bill but it does not solve all the problems of agriculture in this country. It does not even begin to do that. We want to see it passed. However, we want to see the government show some responsibility with regard to the farm credit crisis which is facing this country. This bill certainly does not cover those crises and what will resolve those problems, many of which are devastating for thousands and thousands of producers in this country.

• (1545)

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I wish to participate in the discussion of Bill C-95 considering the changes to the Farm Credit Corporation Act.

First of all, I would like to acknowledge that I do have a bit of a conflict of interest in this. The head office of the Farm Credit Corporation is located in my constituency and I am of course concerned with it. I would like to acknowledge the government's moving the head offices to Regina. It makes a lot of sense, especially considering that the largest land owner in the province of Saskatchewan is the Farm Credit Corporation. In September it held 1,943 leases totalling 877,000 acres of land. It is the largest land holder in my province of Saskatchewan.

There is much in Bill C-95 that we support. We are happy to see that the government dropped the one section, section 5, trying to establish in the bill that it is exempted from the provincial laws. Of course, the government did that in part because of the court decision.

We can pass laws but we should also surely deal with the intent. I still have some concern here. There are some very grave problems facing the farm community. We have heard this eloquently expressed by members from all sides of the House.

Farm families are losing their land. This land has often been in the family for many generations. There is a crisis, mainly due to the dramatic drop in what farmers get for what they produce. While the costs of production have gone up, their return has gone down.

Many farmers have been continuing to exist on the edge of bankruptcy. They are never certain whether it is this year they go under or whether they will be able to survive for one more year in the hope that things will improve. It is no wonder that in Saskatchewan we call our province "next year country". If it is not drought or frost or grasshoppers that threaten farms, it is low commodity prices. But the sense of optimism and hope that exists in my province, particularly among the farming community, makes them keep going. It is in the hope that next year conditions will be better, prices will be better and again they will be able to make an honest return on all their effort and investment.

One of the problems, of course, has been the declining value in farm land. Billions of dollars have been lost in the province of Saskatchewan just on the decrease in the value of the land. Many farmers are staying on the land because they do not feel that the price for farm land is adequate right now. They are hoping that the price will go up, that the farm economy will turn around. Then they will be in a position to sell.

That means the average age on the farm continues to increase. By that I mean the average age of the farmer on the land is quite high. It is because young people are not able to get into farming. They are either being discouraged or they do not have the necessary capital to get in.

• (1550)

To begin to turn all this around requires a new mind-set, a new attitude, particularly on the part of federal and provincial governments. It is a crisis that can only be addressed by co-operation between federal and provincial governments.

The provincial government in Saskatchewan made some honest attempts to deal with the farm debt crisis and the numbers of farmers being forced into bankruptcy and having to give up their land. The province moved to develop a moratorium on farm foreclosure. Since the FCC was the largest land holder in Saskatchewan it was very important that it co-operate.

The federal government took the position that legally they did not have to co-operate and apparently one of the courts have found in their favour. As I mentioned before it is not just a legality. It is more than that. I implore the federal government and the Minister of Agriculture to de-politicize agriculture and to look at the attempts by the Government of Saskatchewan to

deal with the crisis, particularly the crisis of farm foreclosure, and to co-operate with it.

What the Government of Saskatchewan is trying to do has been accepted by the banks and most lending agencies. It is fair and makes a lot of sense. It is trying to help farmers stay on the land. Surely the federal government can co-operate. We cannot afford to play political games. We have to de-politicize agriculture. We have to work together to develop a strategy so that farm families can stay on the land.

Agriculture is more than a business. Agriculture for us in Saskatchewan is also a way of life. People want to stay on the farm and raise their children there because they prefer the rural way of life. It is in the national interest that we maintain a strong and viable rural community and farm community. It is more than just a business. We have seen governments invest and help faltering industries and faltering businesses. We feel that type of assistance should also be available to the farm sector of our economy.

Much of Bill C-95 is positive, as I have mentioned before. It allows for a greater flexibility in terms of the type of lease arrangements individual farmers can enter into with FCC. It allows for flexibility of FCC to work with either provincial governments or other lending institutions in developing viable plans. I hope this government through FCC will expand on the opportunities this bill allows them and will enter into co-operative efforts particularly with the provincial government to help slow down the amount of farm foreclosures and to help, with the provincial government and other lending institutions, farm families facing a severe crisis.

There are some things we would have liked to have seen added to it. We would have liked to have seen the advisory panel being maintained and used more actively. We would have liked to have seen an appeals board. As is bound to happen, disagreements occur between people working for FCC and farmers. It would allow the farmer an opportunity to go to an arm's length-type board to hear his complaints. He would have the feeling there is a body out there he could bring his complaints to.

• (1555)

We would also like, and we feel this is essential, long-term lease options and long-term fixed interest. These are essential in agriculture. There are many variables in agriculture, particularly price that goes up and down. As a foundation to the farm we have to introduce some stable elements. Surely a stable long-term lease on fixed interest would allow the farmer to do more planning, to know that his monthly or yearly payments on loans for purchasing his land are going to be fixed. That would create some stability in a network that has a lot of instability.

We also want to see community trusts for farm lands that have gone into a bank. Intergenerational transfer of land, transferred from one generation to the other, from fathers to sons and daughters, is very important. The previous provincial government of Allan Blakeney introduced the land bank to help facilitate the intergenerational transfer of land in a smooth and orderly way. It allowed the young farmer to be able to start farming the land, make his yearly payments and eventually have the option of purchasing the land or continuing to work the land on a lease-type basis as long as he wanted to. On the other hand it allowed the older farmer the opportunity of taking out what he had invested in the land over all the years of working it and retiring.

In other words it allowed the younger generation to enter into farming without requiring a lot of up-front cash for a down payment on the purchase of the land. On the other hand it allowed the older farmer to retire and get his investment back out. This is what we were hoping the land bank would do.

In many ways the land bank did that. Perhaps there was some criticism of it. The only legitimate criticism I would have is that many decisions tended to be made in Regina. Reform that would have allowed more of a community-based board or such organization on a community basis to manage the land in the bank would have been a much wiser course to have taken. It would have given the local people a sense that they owned the land and that they were custodians and guardians of that land upon which the well-being of their community and their districts depended.

These things I speak of are not included in Bill C-95. They are steps I hope we will take in the not too distant future. I think they are necessary steps to address the severe problem of the intergenerational transfer of land, the need for a co-operative strategy among federal, provincial and local municipal governments to make

agriculture more viable and to work on value added projects.

I point out that Bill C-95 allows us—and I congratulate the government for this new addition to the act—to begin to co-operate to bring all our resources together. That is the only way we can begin to save agriculture.

• (1600)

We know the province of Saskatchewan has severe debt problems. Its payments on the debt it has incurred are horrendous and create a deficit situation that prevents the province of Saskatchewan from directing the needed resources to agriculture.

The federal government also faces a similar situation. In fact in some ways it is a more severe situation. It is time these dwindling resources available from either the federal or provincial government go to agriculture. It is time they started being used more wisely. Instead of playing political games it is about time these resources were brought together for the maximum benefit of the farming community. I hope new politics will be developed. Certainly there is a need in agriculture for new politics.

We have some objections to Bill C-95. Our agriculture critic has introduced some amendments. Unfortunately the amendments were not acceptable to the government. We also feel the Farm Credit Corporation is only part of the solution. It is not the whole solution. Other steps have to be taken by governments at the provincial and federal levels to adequately address the problems being faced.

Over all we are happy with Bill C-95. We see it as a step in the right direction and on the whole we support the bill.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, it is a pleasure to rise again to make more comments on Bill C-95, an act to continue the Farm Credit Corporation and to repeal certain acts in consequence thereof. We have spent a considerable amount of time today on this bill in the House at report stage and now at third reading.

I would like to make a few closing comments on this bill. As was stated so well by some speakers before me, this is a piece of permissive legislation. I talk to people in the riding of Prince Edward—Hastings quite frequently. I remind them of the work we do in the House in Ottawa and that many of the pieces of legislation are permissive legislation. This means that if the direction or the permission given in the legislation is allowed to happen, flows and follows the way we hope it will, some good things can come from its passage.

Perhaps we do not need to remind Canadians it is not always the case. The intention may be very good, but there must be the will of those who write the regulations and put them in place after the legislation is passed here. That is what really makes it tick. That is what really makes it work.

For the most part this is a good piece of legislation as far as the agrifood industry is concerned. The government accepted an amendment to the bill this morning stressing that the FCC was first and foremost to deal with family farms and small and medium sized businesses in rural Canada. That is more prominent in the legislation than it was just a few hours ago. For that I say thank you to the government. That was one step.

There are other good points to this bill. One is that it now makes Farm Credit Corporation money available to those who lease property but do not own farm land. The Farm Credit Corporation management tools or loans have not been available to lease holders in the past. In addition, it gives the Farm Credit Corporation the power to make or guarantee loans to farmers or a group of farmers that have an operating farm or businesses relating to their farming operations and thereby hopefully allow more value added facilities in rural Canada.

• (1605)

In some comments earlier in the House today I said, I hope clearly, that one of the things we need very badly in rural Canada right now is the facility, the opportunity and the support to take the raw product that we have been quite successful in selling in the past in Canada, and many times in exporting, be it wheat, beef, pork or fruits and vegetables, and process it further and develop it further so that Canadians can have the jobs doing that and Canadians can enjoy the benefits. Farm credit changes here will allow the board of directors to make loans to individuals or groups of individuals who want to do that and therefore create jobs in rural Canada, in the

smaller or medium-sized towns or wherever it might happen to be, and take that process on.

Unfortunately but in reality the world has changed in the last few years. We have been very successful in the past in selling grain on the world market, but we know that for many producers today world prices do not allow them to survive economically. We have to consider ways in which we can value add that grain. I am only using that as an example of products that are produced by family farms in Canada today.

Another positive change in this bill is the opportunity for the Farm Credit Corporation to take more than just the real property as security. At the present time the Farm Credit Corporation takes a mortgage on the property on which it is loaning money. That is the extent to which it can go for security.

The bill allows the board of directors to make regulations that will allow them to take off-farm property or off-farm security as security on a loan to be used in agriculture. In my view, this is a positive step. This allows someone to have a job somewhere else or to acquire some capital or some equity someplace else and then use that to back their farming operation or their rural on-farm manufacturing or value added business that they might want to put in place in a community.

It also gives the Farm Credit Corporation, and I think this is a plus as well, the power to set interest rates. It does not have to go to the cabinet each time it wants to change interest rates. The board of FCC has the ability and the duty of borrowing money wherever it can borrow at the best interest rate it can get. Now it is able to set its own interest rate on what it has to charge.

I say last, but certainly not least, is that it is made very clear in this bill that it is the intention and the direction of the Farm Credit Corporation to act on a break-even basis. Unfortunately in the past we know too well that the Farm Credit Corporation has not always done that. For the good of all of us and for the good of the taxpayers in Canada I hope and I think it can fill all of these other requirements and duties and obligations that it has and still do it on a break-even basis.

I remind the House as well that this is, as other speakers have said today, not necessarily the be all and end all and the answer to the financial crisis in rural Canada and the farming communities today. There are problems out there. The present government likes to brag about the amount of money it has directed toward rural Canada and to farmers in its term of office. Yes, it has been a considerable sum of money. But I have to remind the government that it has not been successfully and correctly directed.

If we look at the situation we have on farms in Canada today compared to when this government came into power, the total farm debt today is equal to or greater than it was.

• (1610)

The number of farmers that are exiting the industry is at the same rate if not greater than what it was. I could give many other examples to simply tell Canadians that what this government has done has not been successful. There must be some changes.

We have to change our priorities and the manner in which we support the agrifood industry and the primary producer. I outlined some of that. My first suggestion would be to assist that industry to take its products through further stages so that if it cannot obtain from the world price or from the price of the raw product a market price for the raw product it can obtain what is needed, a piece of the action from the development and the value added of that product as we go on up through.

The government talks about parliamentary reform and so do we. We in this party have put forward a number of suggestions on how parliamentary reform can make the legislative process more successful. I have used Bill C-95 in some discussions I have had in my riding as a good example.

Here is an example of a topic and a bill that everybody agreed needed to be discussed, revamped or whatever words you want to use. It has been talked about in the agriculture community and the farm community for a number of years.

In my view the process we went through today would have been far more successful if we had taken this discussion first to the Standing Committee on Agriculture and asked that committee and any witnesses it wished to bring forward to that committee for sugges-

tions on how the Farm Credit Corporation Act could and should be improved.

After having heard those suggestions and witnesses then the work could have been done in drafting the bill. However, as we know very well, that is not the way it happens. That is not the way it happened with this bill.

The minister brought the bill in, the bill was basically cut and dried. Yes, there was one clause at committee that the government agreed to withdraw. The Parliamentary Secretary to the Minister of Agriculture mentioned it today when he stated that it had been withdrawn. I might say that was done for legal reasons, so the government had very little choice.

Those amendments that we put forward at the legislative committee after the bill received second reading should have been discussed in the way that they could and should have been by the government members, rather than voting down every amendment that the opposition brought forward. They knew from the start that basically we were in favour of the bill.

It is a good piece of legislation but it could be better yet. This is where so often in this House we fall down in our obligation to our constituents and to Canadians.

Of the two amendments that were put forward today, one was passed. Two others were put forward today. I do not think we are asking too much. I do not know whether it was out of stubbornness or what, but the government simply would not pass them. That is all there is to it.

That is asking for an appeal board so that if someone is not happy with the decision or how they are dealt with when they make an application to the Farm Credit Corporation they have one, two or three individuals that they can discuss that with. I do not know what more anybody can ask than that.

As I said earlier today, it was not going to cost much but it would serve a useful purpose. Since this board of directors will be dealing with and making rules and regulations and policy respecting family farms and small and medium sized businesses, primarily in rural Canada, there were amendments before this House today suggesting that the legislation state that a percentage of the board of directors be primary producers.

Whether that be 50 per cent, 40 per cent or 30 per cent I suppose does not matter. There is nothing in this legislation today that says that any of that board of directors has to be primary producers. They in all fairness would have a better understanding of what happens, what is going on and what people down on the farm are faced with today. The instruments and tools of financing would be very valuable and very useful to them.

• (1615)

In closing, there are a couple of other concerns that I have. A number of us have received a copy of a letter from the Canadian Bankers Association which states that it is not happy with this legislation. I may not be using its words but using my words. It says that this may allow the Farm Credit Corporation to intrude on the banks' territory. That does not bother me much. If that is what it takes to keep the banking institutions' feet to the fire, fine and dandy, it will keep their feet to the fire.

Some of the banks have said that if this happens they will consider closing some of the rural banks. I do not think so. The Farm Credit Corporation fills the gap of long-term financing. The banks are needed there for operating loans and for shorter term financing and they will still be there.

Again, if this is what it takes to get the banks' attention then I think that is another good part of the bill. However, with the track record that this government has in privatizing things, I also see where this government could very well be setting up the Farm Credit Corporation to be privatized, sold off, or whatever way we want to say it, to another lending institution. We must be very, very careful and very cautious that that not happen because it does serve, for the reasons I have just stated, a very useful purpose. It has a useful bit of clout in the agrifood industry.

It is a good piece of legislation. I am pleased that it is passing today and I am pleased to support it. In that light I remind Canadians that we in the opposition are often accused of only voting against the government. This is an indication where parties can work together in this House for the good of an industry, for the good of a segment of Canada, but I remind everyone that it could work even better yet.

As I say, this is a good piece of legislation and it deserves passing, but it is too bad it could not have done the whole job and been fixed the best way that it possibly

could because it will likely be a long time before it comes back. We should have done a little more work on it while we are here. However, I guess 90 per cent of a loaf is better than none at all. We will take this today and maybe in less than a year or so from now a number or all of us on this side of the House will have the opportunity to complete the job that this government did not wish to do.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I am taking part in the third reading debate today on Bill C-95, the act to continue the Farm Credit Corporation. While there are parts of the bill that do have merit, I sincerely suggest that this bill puts the cart before the horse.

I reflect back to my years of running a farming operation. When we wished to make changes, we always had to do a projected cash flow for at least one year or sometimes up to five years. We had to show to our bank that the loan could be repaid and we had to prove on paper that the revised operation would benefit our entire operation.

Here we are today making several changes to the legislation under which FCC operates and there are no programs in place in most sectors of agriculture—I say in most sectors of agriculture, I make exception with the dairy and poultry sectors—to provide the financial stability to repay the loans made to the Canadian farmers with any certainty.

I have spoken in this House before about the huge corporations which my colleague from Broadview—Greenwood referred to this morning, transnational corporation agendas as he called it. These are spelled out in the March 9 issue of *Farm and Country* tabloid in an article by John Muggeridge called "Agriculture Inc.".

• (1620)

John Muggeridge shows in detail the concentration that is taking place in the United States that I have spoken about a good many times in this House, and how they are taking over the agriculture industry there. He also cites a study that I have used on many occasions by university professors William Hefferman and Douglas Constance of the University of Missouri.

The same names keep cropping up again and again in terms of agricultural production in the United States. These firms are rapidly expanding into Third World countries and becoming a force here in Canada as well.

In the March 10 issue of the *Kitchener-Waterloo Record*, Jim Romhan in an article headlined: "Buying groups have clout with suppliers", talks about the further concentration of various buying groups in Canada who supply the supermarket outlets and bring more pressure to bear on the processors and naturally then down the line to the producers. That pressure really results in the price discovery system in the marketplace not being allowed to function as it should.

We also relate back to May 1991 to a study done by the Library of Parliament for the agriculture committee of this House. It spells out what happened even in the Chicago Board of Trade in 1989 when the price of oilseeds took a dramatic drop.

I respectfully suggest to this House that until these problems of concentration in production and processing that we have in the U.S. for those firms now branched here in Canada are corrected, Canadian agriculture will continue to suffer. We cannot hide our heads in the sand and think that a few amendments to the Farm Credit Corporation Act are going to resolve the long-term problem.

Before lunch at the report stage of this Bill C-95, I made reference to the fact that our so-called self-styled professionals, many of whom are economists, continue to dream in Technicolor as they swallow the gospel of globalization and refuse to support the need for our marketing boards. They are ignoring the fact that the cost of establishing environmentally sustainable agriculture should be shared by all of society.

I would like to share that thought for just a few minutes because there are no better conservationists in society than the farm people themselves. But it is something they cannot practice if they do not have a return on investment, management, labour and risk.

We criticize countries in South America for cutting down the rain forests but then we look at Canada and see the small percentage of land covered by wood lots. I am speaking here of southwestern Ontario or other areas across Canada. Somewhere along the line there has to be a return on investment if that land is going to be put back into wood lots. I suggest to this House that we should select a species of trees that could be planted on these lands to give a long-term return to the landowner and a return to society in general. We know that trees add to

the environment and use large amounts of carbon monoxide.

I would like to continue that line of thought for a moment and make a few further observations. The development of environmentally friendly value added processes must be speeded up to create new domestic markets for Canadian grains, whether for renewable fuels, road de-icers or other biodegradable products.

• (1625)

We now have road de-icers made from grain corn and biodegradable products such as garbage bags made from the same grains.

The use of grains for renewable fuels alone has tremendous spin-off potential. Although the government voted down Bill C-226 last Wednesday evening, it failed to recognize the spin-off benefits of renewable fuels. These fuels would cut the carbon monoxide emissions by 20 to 30 per cent and the carbon dioxide emissions by 6 to 10 per cent. Then the residue or stillage that is left could be used for cattle feed. If wheat was used as the base, the residues could be used for human food. It would be particularly suited to feeding starving children of Third World nations.

The government is not moving fast enough on these issues. How can it expect the farm people to borrow money if they cannot see where there is going to be a return. I suggest it is completely irresponsible. It is ignoring the need for a domestic pricing system for those sectors that do not have price-setting authority. They are ignoring other nations where input costs are much lower than ours and the targeted prices in most cases are substantially higher than in Canada.

I am referring, of course, to the U.S. target pricing systems, where U.S. corn growers will now be receiving one-half of their deficiency payments prior to planting their crops. Yet the Canadian farmers have to make their annual pilgrimage to the bank to ask for a new line of credit for this year or go to some of their suppliers or transnational corporations that make them sign away their farms and assets to give them credit, usually at a high rate of interest. If we are going to compete globally, we have to have prices that compare with those of the U.S. and a return.

We also have to ensure that under article III of the GATT, other countries exporting food to Canada live up to the same stringent environmental and safety food standards we have in Canada.

Recently we were appalled by the outbreak of food poisoning in the western United States directly related to contaminated meat. This was a disaster waiting to happen. Three children died and hundreds were violently ill. Some will have permanent kidney damage. I am appalled that this could be allowed to happen in a country next to us with which we trade and exchange food across the border.

I am deeply concerned, as well, about the growing oligopolies that have developed here in Canada in the food sector and that the problems identified by the previous royal commissions of inquiry in two provinces have never been acted on. This is public information and again, government has hidden its head in the sand and paid out subsidies to keep some of the farmers on the land, while other sectors of the food industry make profits that place them in the top 10 of the 1990 *Globe and Mail* "Report on Business", report 1000.

There has to be a return on investment, labour management and risk if agriculture is to survive in Canada. Yet just a few years ago, the government removed the two-price wheat system and it has ignored the fact that consumer prices continue to rise after producer prices have fallen. In fact, on a box of crackers the consumer price went up by 235 per cent while the producer price of wheat down by 43 per cent.

It does not take a genius to realize that Canadian agriculture cannot survive under such conditions, especially, as I indicated earlier, when our competitors are operating with target prices and export enhancement subsidies are paid to the exporting companies involved. Not only are they getting subsidies, but a year ago they were also getting Commodity Credit Corporation grain to feed to their livestock operations. Those huge companies are not only exporters of grain, they are producers of beef, pork and poultry meats. They used that export enhancement funding in exchange for grain from the Commodity Credit Corporation until it ran out some time ago.

• (1630)

I call on the members of this House, particularly on the government side, to stop toying with the lives of thousands of Canadians across rural Canada, admit a series of mistakes has been made and place the welfare of the primary resource industry first and foremost on the agenda. Food production and processing in this country must be made a national security item.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Victoria—The environment; the hon. member for Sudbury—The economy; the hon. member for Northumberland—Somalia; the hon. member for Markham—Whitchurch—Stouffville—Rouge Valley; the hon. member for Burnaby—Kingsway—AIDS.

* * *

INTELLECTUAL PROPERTY LAW IMPROVEMENT ACT

MEASURE TO AMEND

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)) moved that Bill S-17, an Act to amend the Copyright Act, the Industrial Design Act, the Integrated Circuit Topography Act, the Patent Act, the Trade-marks Act and other acts in consequence thereof, be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Mr. Speaker, when my colleague in the opposition applauds, that is a good sign; it means that this is a good bill. I want to thank him for that. You will also allow me to thank the senators who studied this bill and passed it.

I believe this is the first time that Parliament has considered a bill amending five laws on intellectual property. This is a first for the Parliament of Canada. I think that several departments should consider such an approach so that, where a vast subject is concerned, the laws dealing with it can be improved together as a package.

Bill S-17 is a result of consultations with the interested community and those concerned are in favour of the various amendments contained in the bill. One may wonder why we would amend five laws on intellectual property all together. For one thing, it is to make the system more efficient and, for another, to make it more accessible for Canadians.

With this package, we are making administrative and technical changes to five existing laws. In the world economy as we know it and as it is coming to be, no country will be able to live or survive if it does not look after developments related to intellectual property. Any country that did not consider intellectual property a priority would be mistaken. In this regard, we in Canada have been working and must continue to work.

• (1635)

The various pieces of legislation we are discussing today are not necessarily up to date and do not necessarily meet the needs of Canadians, which creates higher costs for Canadians in the intellectual property sector who use these five different acts.

I can give some examples of how the situation has changed. Take the Patent Act, for instance. Today, according to the legislation, an inventor must provide a detailed description of his invention in writing, but we know that in 1993 and future years, there will be many new developments in biotechnology. Describing an innovation in biotechnology in writing is probably not the best and cheapest approach for most users. Producing a sample of the biological material would be a more sensible and practical alternative, and that is one of the changes we find in Bill S-17.

Electronic filing and processing of all patent-related documents does not exist at the present time. This is something else that has to be done, both for the government and for Canadians who use the system. Technically, a person can now file a new application but

not be able to protect an existing application. Some technical amendments are therefore necessary. One can easily imagine the problems and inequities this can create, so these are the kinds of amendments being proposed in Bill S-17. Of course, filing of patent applications will be simplified.

With regard to the Trade-marks Act, since 1954 there have been no technical or administrative changes in this legislation. We know that today, for instance, it contains no definition of an entity, but it does contain a definition of a group. Once again, these matters are dealt with in the bill.

Bill S-17 also provides for improving the operation and administration of the Copyright Office. Canadians will have better services.

Earlier we referred to the Industrial Design Act. It is important to protect our industrial designers. As you know, Mr. Speaker, although the Industrial Design Act has been in existence for almost a century, there have been no significant amendments to improve the legislation in many years, so this is important. I may add that all the amendments mentioned were suggested and approved by people in this sector.

At this point I would like to congratulate the Intellectual Property Advisory Committee, which was created in 1988, on its excellent work. Committee members represented business, cultural groups, consumers, universities, researchers and experts.

An hon. member: Lawyers.

Mr. Vincent: My honourable friend mentioned lawyers, but I wanted to use the word "experts". In any case, we understand each other. It boils down to the same thing.

These are people who worked very hard to make changes and provide positive and badly needed solutions for the intellectual property sector which was covered by five different acts.

Finally, this legislation, which is intended to improve the administration of five acts, will simplify procedures. It will simplify the technical aspects and introduce advanced technology, while giving Canadians more convenient access to the intellectual property sector.

The Senate has already examined the bill and judged it to be a valid piece of legislation.

• (1640)

I hope my colleagues on the other side of the House will adopt this legislation as soon as possible. If they are prepared to adopt all stages of the bill today, I am available. I would be delighted to be here in the House to support the bill and ensure it is adopted without further delay.

[*English*]

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, first of all I would like to congratulate the hon. minister on his ascension into glory with his new position in the cabinet. I have had the pleasure of working with him in the House since I was elected and so far he has been a refreshing change from the way that some things work around here. We have already had a few meetings and they have been somewhat productive. I think this is the first bill that the minister has introduced in the House, and so it is a milestone for him. It is generally a good bill to be introducing.

I say that because of the process that resulted in this particular piece of legislation coming before this place. For those who are watching, it happened in kind of a strange way. Bill S-17 was not initiated in this place but in the Senate, or the other place as we call it from time to time. It was introduced in the Senate of Canada. This is the reversible pipeline of legislation which we do not see a lot of in Canada. Indeed, it was debated, there was some committee study, and witnesses were heard.

It comes to us now after having had a fairly significant degree of examination and after some witnesses have come forward. It is sort of a hodgepodge and does a whole lot of things. There are five acts dealing with intellectual property which it proposes to amend. This bill came up through an advisory committee of stakeholders in the industry which had been set up. It went through a lot of the issues of the day dealing with intellectual property in Canada and the things it could agree on it did. It came forward with a series of amendments to five acts.

The five acts are the Copyright Act, the Industrial Design Act, the Integrated Circuit Topography Act, the Patent Act and the Trade-marks Act. Many parts of this bill deal primarily with housekeeping and try to harmonize regulations and correct some deficiencies and prob-

lems that the industry stakeholders have had some level of consensus on.

I am not about to say at this point in time that I think that type of approach has led to a flawed bill. That is the way we should be approaching legislation in the House of Commons. If we had more legislation coming forward after that type of non-combative and non-partisan review and consensus we would have better legislation on the floor of the House of Commons.

If we go back to Bill C-22, the Bankruptcy Act, my colleagues on all sides of the House had an unprecedented level of agreement when we pre-studied the bill. Then when we returned to the partisanship, after approval at second reading, things started to come apart again.

There was something that told us way back then that we could do legislation differently. When we consult widely and listen to people's points of views the Canadian people are the ones who benefit because we have better legislation. We are able to strip away a lot of the nonsense that goes on here from time to time and we are able to tap into the intellect, experience and commitment of all members of Parliament, and it does not really matter whether they are Tories, Liberals, Reformers, Bloc Quebecois or New Democrats. Most people who come to this place come here because they want to serve the public of Canada.

I know that the minister was quite anxious to try to get this bill through the House today because of the factors I have just mentioned and because it has already had some debate in the other place. We have not agreed to do that, not because we want to hold the bill up but for two reasons.

First, I am a firm believer that we are paid to oversee the passage of legislation. Although I have a great deal of respect for my colleagues in the other place I was not over there when this bill was debated.

I have read the committee reports and I have perused the *Hansards* from the Senate. Nevertheless, this is a fairly complex bill. It has over 70 clauses in it. Much of it is highly technical.

• (1645)

For me to say today that I trust what has gone on in the other place, and there do not appear to be many flaws with the bill, so let us just get it through to clear the legislative agenda is not in the service of Parliament. It does not pay the deserved respect to the people who have put this legislation together.

As a purist, I believe that we have to go through the process and I think we will be doing that over the next few days.

The second problem I have is that there are a number of places in the summary where it says that certain clauses in the legislation have the effect of giving Governor in Council more regulatory authority. In short, in these cases it says, and it may be for good reason, that we will give the Governor in Council, which is the executive branch, the right to change certain aspects of the implementation of these pieces of legislation solely by regulation.

When we deal with regulation, then I have some trouble with that. The former minister knows this. When we are dealing with regulation we owe it to the people of Canada to be very sure that we understand the full impact and the depth of the regulatory powers we are giving to bureaucrats, who after all are not accountable, do not have to face the electorate, and are not public figures.

In this bill, and I guess we will find this out in committee, there are a couple of clauses that bother me more than a little. One is clause 8, which amends the Copyright Act. It allows the Governor in Council, which is the executive, to change the fee structure for the application process for copyright by regulation. That bothers me, because I have always felt that any fee that is imposed, be it a user fee, an application fee or a direct piece of tax legislation, is a tax. Any time we are talking about giving unelected people the right to go forward and alter fees without any debate in this place and without going back to a parliamentary committee I get a little nervous. Perhaps when we get to committee we will be able to talk to the officials and find out exactly what regulation-making powers we are giving to them.

There is one other aspect of the bill that bothers me, and it deals with the patent co-operation treaty. I will be quite honest. I am not exactly sure what the heck it is all about. One thing that does bother me is that one clause of the legislation which would change the way we do things quite clearly gives Governor in Council the ability to pass regulations that can override the legislation. That

seems really strange to me, and I am not exactly sure how that is done. I would strongly doubt, unless we are just giving very limited powers, that is the type of precedent we would want to be pursuing. We will be asking questions again on that particular aspect of the bill.

There is another aspect of the bill which I have a little difficulty with, and it concerns biological deposits. This is a whole new field for us, in which new pharmaceuticals, new strains of crops and things like that are coming forward, and it is based on biological agents. My concern is only that we should explore this more closely. We have to look at exactly what we are doing.

In the past, from what I can gather from reading the summaries on the legislation, many times a biological sample would be deposited as part of the application process and they would say that this is a sample of what is and it is different from anything before, so they would ask us to give them a patent on it. That has not been accepted in the past and there have been some court cases on that issue.

My concern is that this now makes that biological deposit acceptable as a significant body of evidence to justify the granting of a patent. I am not opposed to it, but I am concerned about its retroactivity. I am not convinced from the information I have read that it is clear. What would happen if a patent had been struck down, or if a patent had been rejected based on the fact that the main supporting documentation for uniqueness was the biological deposit, or the sample, which was not accepted before?

• (1650)

If there is product out there now and this bill has some retroactive impact, what happens to a farmer who has a particular strain of hybrid seed for which he was never able to get a patent in the past? What happens to some of the drugs and pharmaceuticals currently out there? Indeed, there are a number of pharmaceuticals in the field which may now be challenged by some of the generic companies as to the validity of the patents. I want to find out what will happen to those court proceedings or those cases if they do go forward, if this bill is passed.

In conclusion, we are looking forward to some discussion on this bill when it does go to a legislative committee. Our intention certainly is not to hold it up. I applaud the process by which the bill came forward.

The stakeholders in the industry have waited a long time to get these things cleared up and have done an exemplary job so far. I would just ask them to wait a little bit. We have a few questions from our end. Perhaps working together we can come up with a piece of legislation we can all be proud of and that will fix some of the problems dealing with intellectual property in those five various fields.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, when dealing with Bill S–17 we have to also deal with the fact that this bill before us has been presented to us in a very hasty manner from the time it was initially presented in the other place.

We have not really been adequately briefed. We have not been briefed at all by the government which is presenting the bill. Furthermore, this is a bill if ever there was a bill that needed to go to committee for a thorough analysis to look at the consequences in many areas. On religious grounds, people could be very much opposed to the genetic engineering aspect, the biotechnology aspect of this bill. This kind of bill needs that airing out in a committee with expert witnesses.

Very quickly I am going to go over what this bill does and does not do. Generally I think it is safe to say that this is a hardware bill. It is a house cleaning bill which is being put forth by the government in order to bring many of the related laws we already have on intellectual property into line and make them applicable in a most efficient manner.

For the people who are watching and listening to us today I want to mention that on intellectual property we are basically dealing with patents. We are dealing with creators of functional ideas. We are dealing with much more than books. We are dealing with medicines, biotechnology, the creation of completely new organisms. Some very serious questions arise from the impact of this legislation.

As my colleague has said, without opposing the government's Bill S–17 we could still have a better idea on how to actually be in favour of it if we could get a full airing out of its implications and particularly the retroactivity aspect of parts of the bill.

The bill essentially makes amendments to five different statutes all dealing with various aspects of intellectual property. Patents, which protect the embodiment of ideas of a functional nature, are governed by the Patent Act. Copyright, which protects the expression of ideas, is governed by the Copyright Act. Trade marks, which protect symbols and distinguished goods and services in the marketplace, are regulated by the Trademarks Act. Industrial designs, which relate pretty much to ornamentation applied to an article, are governed by the Industrial Design Act.

An interesting new field is called topographies. As a new MP I remember asking: What is this bill on topographies? What are we talking about? I was thinking of territory, topography on a map. That is not what it means at all. My friends, here we are dealing with the computer age. We are dealing with microchips. This is called topographies, or the contents of a microchip. That is actually regulated by—and here is that word again—the Integrated Circuit Topography Act. If that word is seen in the newspaper, they are talking about microchips.

• (1655)

All that is what Bill S-17 is concerned with. It is important to highlight that this bill was not sneaked in. Although it has been very hastily presented to us, it was not sneaked in. This bill was not bull-dozed. The bill has had extensive consultation and hearings with different consumer groups. Actually, the Canadian Bar Association was one of the players as well.

The bill has been involved in a great deal of consultation. All we are asking as members of Parliament is that the consultation continue in committee so that we can understand the full intent of this legislation before we adopt it.

The amendments to the Copyright Act are primarily of an administrative nature. For example, it eliminates the requirement that entries in the copyright register be personally signed by the registrar of copyright or by the commissioner of patents. That sounds to me to be a fair housekeeping measure.

Dealing with the Industrial Design Act the bill allows the applicant to designate somebody else, an assignee to file an application in their own name. You can designate someone to make an application. Once again that seems to be a fairly inoffensive part of the bill.

With respect to the Integrated Circuit Topography Act this would extend protection to us and countries which are reciprocating with Canada. That is just common sense to me.

I have some serious misgivings when it comes to the biotech part of this bill where we are dealing with new organisms. I am not quite sure that it cannot be described in writing. As a writer myself I would like to know why we would be going against the recent ruling of the Supreme Court of Canada which said it had to be in writing in order for it to be valid when application was made for a patent.

I understand the biological sample can be deposited and that would be the example. That would be your so-called application part of the affidavit, but I am not quite sure that in and of itself would suffice. There should be some attempt to write what went into that biological sample, why it is so unique and why there should be a patent on it.

Dealing with this whole question of biogenetic engineering, I am very much concerned that we are actually homogenizing life forms. We are homogenizing plants. We are homogenizing animals. If you read the papers, it appears we are creating a new strain of pig so that we can have parts for transplants.

I am concerned that this is something that is going to receive a great deal of scrutiny by the churches and by people with religious beliefs who do not believe we should be involved in this. He who controls the patents for seeds, animals and livestock, what does that do for the agricultural sector where farmers with the ability wish to buy these animals and seeds without having to deal with a monopoly of a company? It may be a pharmaceutical company or some other company which has a patent on that particular livestock or that particular seed. I am wondering about that. That question has to be answered in committee.

Finally when talking about biogenetics and talking about creating new organisms we are really talking about getting a patent on life. To claim a patent on a life form is a direct and total denial of that person above looking down upon us who is the ultimate individual, I believe, to have that right. We have to look at the whole question of what creation means and whether we can actually seek a patent on creating new life forms.

There are serious questions that we have to deal with in committee. However, I do applaud the minister's approach. I think it is salutary for the House to present a bill in this way. I hope for a speedy passage of it in committee.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee in the Departmental envelope.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being five o'clock, pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed from Wednesday, February 10, consideration of the motion of Mr. Crawford that Bill C-301, an act to amend the Financial Administration Act (financial information), be read the second time and referred to a legislative committee in the Economics envelope.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, just by way of background, I compliment my colleague again for having the foresight to bring what I call the accountability and reliability of taxation measures before the House of Commons by way of a private member's bill.

On the last day we spoke on this legislation we were discussing in some detail the effects that legislation like this would have.

Suffice it for me to say that this legislation would make all government programs to be costed out fully and completely before any programs were implemented. Any cost overruns would need the special authorization of Parliament. That really is the critical issue with respect to this legislation.

Even if this House were to approve some project, once that project exceeded the approved limitations of this House, the legislation would have to reappear before the House of Commons. Every member would be apprised of the efficiency of that project. Then there would be a debate on the full extent of the additional costs involved in any program the government implemented.

It would require long-term planning by cabinet ministers. They would have to give the House a very detailed statement on the original cost of the program, the cost in the previous two years and the expected cost over the next five years.

The last time we were debating this particular legislation I made a statement with respect to the goods and services tax. Let me use the goods and services tax as an example of what this legislation is all about. When it was implemented there was some accountability with respect to what it was supposed to do on the taxation system in Canada.

We heard many statements on what was the original start up cost on the goods and services tax. The estimate we heard at the time was that with the addition of 4,000 employees by Revenue Canada in order to monitor and police the goods and services tax, the start-up costs in implementing this tax were going to be $1 billion.

That $1 billion was only an estimate. The tax has been in effect for some two years. We still do not know how much revenue that tax has generated to pay off our debt. We heard at one time that when comparing the goods and services tax with the manufacturers' sales tax which it replaced, that it was going to be revenue neutral. We still have not heard. We have had no accountability from the government with respect to whether the goods and services tax is revenue neutral as it said.

• (1705)

What is the net revenue of the goods and services tax with respect to how it affects the total debt of this country? What are the original set-up costs? To this date we do not have the figures with respect to the actual

start-up cost of the goods and services tax. It is information I think all Canadians want to know.

What are the effects and how much money has been reimbursed to all Canadians since the start up of the goods and services tax? I speak of the amount of money that was being sent back to those taxpayers in Canada under the poverty line who could not afford to pay the goods and services tax and were to be reimbursed for the added expense to their cost of living. To this day we have not been apprised of that particular figure. We are interested to know.

The manufacturers' sales tax was reduced. We want to know how much was reimbursed to all the manufacturers and retailers who were compensated for the inventories they had in so far as the manufacturing tax was concerned. How long did that manufacturing tax stay reduced or removed from the products they were selling? What is the experience of those products with respect to increases in prices?

We talk about exports. Canada is a great exporting country, but we have not found out yet how much money is returned to manufacturing industries in Canada that pay export tax on their production methods. When they export those goods to other countries, how much is reimbursed to manufacturers in Canada in businesses entirely involved with export? That is remuneration every member of this House should have knowledge of so we can assess fully the accountability of the government with respect to how much it cost to implement the goods and services tax.

Another example and one that is very prevalent today is that of the helicopters. We talk about accountability of the government. When the helicopters were first introduced in Canada they were supposed to be $2.8 billion. I see the Minister of National Defence who originally gave the contract out is with us today. It was $4.4 billion. We have just heard in the last two months that the contract was no longer $4.4 billion but had risen to $5.8 billion. The legislation my friend is trying to implement and put forward by way of a private member's bill is the means by which this House can control that type of expenditure.

I know my time now has elapsed but I compliment him for having the foresight to bring forth this type of legislation which is so badly needed by this government and by future governments of Canada to control expenditures and save the taxpayers of the country the money they work very hard to pay into the coffers of the Treasury.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, Bill C-301 attempts to amend the Financial Administration Act in three areas: special Governor General's warrants, long-term planning and the tabling of public accounts. I might say at this point that the comments the member—

The Acting Speaker (Mr. DeBlois): Order, please. I am sorry to interrupt the hon. member, but the record shows that the hon. member spoke on the matter.

Mr. Kempling: No, absolutely not.

The Acting Speaker (Mr. DeBlois): It is maybe an error. The error is in the member's favour.

Mr. Kempling: It is the first time I saw the bill. As I was saying, the member who just spoke was talking about controlling the prices of helicopters and that this bill would do nothing for that whatever. That is a lot of nonsense.

• (1710)

The bill seeks to amend the Financial Administration Act in three areas: special Governor General's warrants, long-term planning and the tabling of public accounts.

In the case of special Governor General's warrants the amendments would require added information to be tabled in the House by the President of the Treasury Board and would change the timeframe in which these special warrants can be used. I would remind the House that special Governor General's warrants can be issued to provide the government with funds only when three conditions have been met. These conditions are carefully spelled out in the Financial Administration Act.

First, Parliament must not be in session because it is dissolved, prorogued or adjourned. Second, there are payments to be made which are urgently required for the public good. Finally there is no other appropriation to which the payment may be charged.

Mr. Flis: Mr. Speaker, I just came in and I may be out of order, but I thought the hon. member had spoken on this bill. I have quotes where he said that the bill would fly in the face of parliamentary tradition, that it would threaten the ability of governments to plan strategically, and that it would cloud the services of the Auditor General who should be a commentator on government long-term objectives, et cetera. I was under the impres-

sion the hon. member had spoken. Your Honour knows the rules of the House on private members' bills.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I asked the table officers to check and I am waiting for confirmation in the next few minutes as to whether the member for Burlington did indeed speak. However, I take careful note of the point raised by the hon. member for Parkdale—High Park and I thank him for it.

[*English*]

Mr. de Jong: Mr. Speaker, I draw to your attention and the attention of the Parliamentary Secretary to the President of the Treasury Board and Minister of State for Finance that on November 30, 1992 he spoke in this House on Bill C-301.

I know the hon. member is a very busy member. He might not remember speaking on Bill C-301, but *Hansard* of November 30 does record his remarks.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I have here a copy of *Hansard* for November 30 and the point raised by the hon. member for Parkdale—High Park and the hon. member for Regina—Qu'Appelle is quite correct. I am sorry that I must take the floor from the hon. member for Burlington. Perhaps he would like to add something?

[*English*]

Does the hon. member want to add some comments about that? He spoke to the bill on November 30, 1992.

Mr. Kempling: Mr. Speaker, I apologize to the House. November 1992 is a long while ago, at my age. I apologize to the House for taking up its time.

The Acting Speaker (Mr. DeBlois): I appreciate the comments of the hon. member.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I congratulate my colleague for Kent for bringing forward this private member's bill. It must be a pretty good bill when some people want to address it twice or more. It requires a bit of persistence on the part of a private member and a bit of luck too to get a private member's bill this far. I want to congratulate my colleague from Kent county.

This bill has a reputation now for being what we call a common sense bill. That in itself is a rather simplistic way of describing something, but it has a lot of common sense and sensibility about it although it is officially called an act to amend the Financial Administration Act.

• (1715)

A few parts of it sort of fascinated me. We can put them in more complicated context if we like, but what would be wrong with having a bill that would very simply state the objectives of any program? That would seem to make sense to me. One of the objectives of my colleague's bill, Bill C-301, would be to state clearly the objectives of the program.

Another would be the estimated total cost of the program over its proposed life and the method by which that cost would be estimated. How do they determine that cost? Unless we know that, they may have forgotten to build in some of the factors which would have a bearing on the final cost of the project. Then there are the estimated sums that will be required for the program over each of the first five years. Sometimes several things we have noticed in this House have come in as what they call cost overruns.

Let us sit down and determine every five years whether a program is still accomplishing what its original objectives were. Is the estimated cost so far out of whack that if we had had all that information initially we would no longer have the program, for example? It would not seem to be anything but common sense to me to anticipate some of those things and evaluate them every five years.

The anticipated effects of the program on the economy, environment, employment and social programs in Canada tend to change periodically. An ongoing evaluation of a program every five years would seem to be in keeping with what we are endeavouring to do.

Finally there is the appropriation out of which the program will be funded. Where is the money going to come from for this program?

I noticed the Minister of Finance made a statement as reported in *The Ottawa Sun* of February 10. I could table

it if anyone is interested. I just want to read a short paragraph which states: "The federal deficit of $34.4 billion is still a big problem". That is what the Minister of Finance said. "He admitted it particularly with the figures released yesterday showing the deficit widened in December to $1.74 billion from $1.54 billion a year earlier".

With my colleague's bill that sort of thing would be less likely to happen. It would not guarantee that it could not happen. However if it started to happen we would have the mechanism in place where we could say: "Let us examine it, let us put it under the microscope, let's see if its original objectives are still valid and do something about it instead of just lumbering on".

The impression in the general public these days is that government spending, not only federal but provincial and I suppose municipal too, is out of control. Reducing the annual deficits in my opinion is the only way to address the long-term debt. If we do not attack the annual deficits how are we ever going to be in a position to attack the long-term debt?

If someone thinks this bill is too risky maybe it is time the federal government and all other levels of government started to take those risks. I do not see it, for example, threatening long-term strategies and long-term plans. Perhaps it would cause us to examine those long-term strategies and those long-term plans, something we have been rather reluctant to want to do.

The public from its point of view sees paying more, paying more and paying more and getting less, getting less and getting less at the same time in which the deficit keeps mounting. That is rather puzzling for the public. It seems this bill would be an attempt to try to get a hold on things so that would not happen, so that would not be allowed to happen.

The idea of cost overruns really means being accountable to the public every once in a while so that there would not be cost overruns and some of the things the Minister of Finance said in *The Ottawa Sun* on February 10 would be less likely to happen. The other thing the public is continually saying, to me anyway, is: "If we ran our businesses the way that you guys spend our money, we would be out of business very, very quickly.

• (1720)

There is great evidence of that. In this country in 1992, 76,139 people declared bankruptcy. They were not allowed to carry on any further. Somebody put a stop to it. The government does not seem to be in any position, seemingly, to realize that that could happen to the government. More and more regularly you are seeing that there is a great threat. If independent businesses can declare and have to declare bankruptcy, put in a position where they must declare bankruptcy, perhaps it would not be so unusual for the government to visualize the difficulty that the public has in seeing from their perspective why governments are allowed to go on when they have been put to the point where they have had to declare bankruptcy and are out of business.

It is this government's ability, it seems, to disregard all the rules under which private enterprises and private businesses must operate that is aggravating the people. That is why there is so much cynicism today and so much concern about the debt that this country is carrying.

As we all know, it is very easy to get into debt but it is sometimes very, very difficult to get out of it. There are times, of course, where it would make sense to get into debt, but I think what has happened in relation to government is that it does not seem to have a plan for getting out of debt. If you are going to get into debt you should have some plan for getting out of debt.

I think my colleague's bill here is a modest attempt at trying to be realistic about getting into debt. Some kind of an ongoing evaluation must be in place to see that you have a plan for getting out of debt. Only in government are you allowed it seems to get into debt without having any realistic plan for realizing that there will come a day when you must concern yourself with getting out of debt.

Governments do not do things very efficiently. My opinion on that is perhaps it is time they started to do things more efficiently. The reason they do not do things efficiently is because they have never had to. They have got into the habit of thinking that there is a bottomless pit there and all they have to do is tap it and it continues to fill up, something like a spring I guess, once you tap it there is a source there of unending wealth.

We are now in debt in this country to the tune of about $450 billion and it is growing by the minute. I think that is what my colleague's bill is attempting to address, to see if something could be put in place, something in the way of a common sense bill which would allow governments, indeed force governments to have a process for regular examination. Hopefully, that would avoid the cost overruns which get us into the problems that have put us into the $450 billion debt category.

It does not mean that programs would cease by any means. It means that there would be more scrutiny applied whenever a new program was introduced. I congratulate my colleague on bringing this bill forward. I for one will have no hesitation, and I hope those on all sides of the House will see the sense in supporting this bill. I wish him the very best when the vote is taken, if it gets that far.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I rise today also in support of the motion presented to the House by the hon. member for Kent. I think it has been described as the common sense motion. I would suspect that government members if they were not government members but sitting on this side of the House would be voting in favour of it today. It seems to me that what I am hearing from opposition members and as I read some of the speeches from past *Hansards* and some of the speeches that have been given on this bill, they are things that I have heard members of the Conservative Party speak about when they were in opposition. It is unfortunate that they lost this part of their rhetoric when they made the transition from opposition into government.

• (1725)

They were quite eloquent at times in opposition when they talked about Parliament losing control over spending, that spending was out of control, that we needed a new system and a much tighter system of accountability in order to get spending under control.

I read the remarks from the Parliamentary Secretary to the President of the Treasury Board and Minister of State for finance and the excuses he was giving us today. If I would have had the time I would have gone back through the records because I am certain there is a speech somewhere before 1984 where that hon. member would have made remarks in this House criticizing the way expenditures occur and the lack of control over them.

Our country is facing very serious financial problems. We have growing deficits adding up to a horrendous debt that will take generations to pay off. It is time we got our house in order. It is time we stopped allowing expenditures to occur that get out of control.

There is one megaproject after another. Estimates come in, the House approves certain expenditures, a month later we hear that the expenditures have gone up. One, two, three or five years later when the final bill comes in, we begin to realize that it is nowhere near what the original estimate was, what the original approval was for.

It is time for that type of activity to come to an end. We cannot continue to afford that type of expenditure. When the minister or the government make proposals for certain expenditures, those proposals should have a total scrutiny so that Parliament knows if the estimates are accurate, if there is inflation built in and what the final bill will be. Not only Parliament but the people of Canada should know.

As members of Parliament we are ultimately responsible. It is not the government, it is this House of Commons. Ultimately, we the members of this House of Commons are responsible for the type of debt and deficit that we are facing now.

As members of Parliament we are not given the opportunity nor the information to really make wise decisions. In part the government and the bureaucracy want to maintain this control. That is why I believe we now see Conservative members who truly should be supporting this bill speaking against it because they are now captured by the government and not acting on what they really believe in. Surely they really believe in trying to control government expenditures so that we have wise expenditures and members of Parliament can fulfil their proper duty.

The other thing that appeals to me was expressed as I read the remarks of the hon. member for Kent when he moved a motion in the House. If I may quote from his remarks that appeared in *Hansard*, Monday, November 30, 1992: "As well any cost overruns would need special authorization. It requires long-term planning by cabinet ministers. They would be forced to present to Parliament a detailed report showing any program's cost and its

effects on the economy, environment, employment and social programs to the extent that it is possible".

This House has fruitfully debated the whole notion of environmental review so that governments, particularly governments but also private industry, cannot engage in massive undertakings that would alter the physical environment of our country, alter the quality of air or water and affect living species, et cetera.

Now we demand that there should be an environmental review so we know the environmental costs to a program. I maintain we also need a social environmental review. We know when unemployment goes up and poverty goes up, crime, suicides, violence and drug and alcohol dependency go up. There are social costs to this government's Unemployment Insurance Act that it is presenting to Parliament.

• (1730)

Social scientists can show the statistics, the correlation between an act of this government that would restrict the number of people who are eligible to receive unemployment insurance for example and the social effect that will have. They can predict with a relative amount of accuracy the number of suicides, the number of crimes, the amount of family breakdowns, and violence that will occur.

The hon. member suggests in this bill that we should also have some social cost accounting so that when government brings in measures Parliament also knows the effects they will have on our community, on the people and the cost to treat the social ills that a certain particular measure the government might introduce might create.

I think there is a lot of common sense in this bill. I suspect that government members in their hearts would likely want to support this bill. I urge them to let their hearts speak and not their blind ambition of trying to get a cabinet position at some stage.

This bill calls for the government to be more accountable to Parliament in its expenditures. What is the problem with that? Why are Conservative members opposed to that? Is this not really a conservative philosophy that is being introduced here?

As a New Democrat I have no trouble with that. I believe as my colleagues believe, and I am sure hon. members across the way believe, that the government has got to be accountable to Parliament. No greater area for accountability is there than accountability over expenditures and how the government spends the taxpayers' money.

That is what is being called for in this private member's bill. It deserves the unanimous support of this House.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I wish to congratulate the hon. member for Kent for introducing this private members' bill, one of the very few private member's bills which is votable. I apologize for cutting off the hon. member for Burlington but I did not want people who have not spoken on the bill to lose their time on it.

The media has already dubbed this bill as a common sense bill which I think is the intent of this bill and that is to put curbs on runaway government spending.

CFCO radio in the hon. member's riding said this about the bill. "What Crawford's bill proposes is that government be responsible with our money, that spending is studied before it is done, and overspending be answered for. His bill would give more people in Ottawa a kick at the can known as accountability, members of Parliament, the Auditor General, and the Standing Committee on Public Accounts".

That pretty well sums up the intent of this bill. We have been hearing a lot in Question Period and in debates recently in this House about the cost of the Cadillac helicopters. Initially when the purchase of the helicopters was announced the tab was $4.2 billion. Now all of a sudden it has jumped up to $5.8 billion and the taxpayers are fed up with that kind of throwing taxpayers' money into the wind.

Be honest with taxpayers and tell them exactly what the cost will be three years from now, five years from now, or ten years from now.

We have an experience right in Toronto, a project near my riding of Parkdale—High Park, the SkyDome. In 1985 when the SkyDome project was proposed the cost of the SkyDome was $150 million.

• (1735)

Everyone thought this was a great project that would bring in jobs and revenues. The public was sold on it, but by the time the contract was signed in April 1986 the figure had jumped to $234.7 million. Once all the final

touches were put on the Sky Dome, the final cost was $590 million.

Three levels of government were involved as well as taxpayers. I support the Sky Dome. I think it is worth every dollar of the $590 million, but the planners and designers should have been honest with the public and said: "The cost of the Sky Dome will be $590 million". They should not have jumped from $150 million to $590 million.

I am looking more specifically at clause 3 of the bill and part III.I, which deals with the creation of new programs. It says that where a new program is to be established requiring the expenditure of money appropriated from the Consolidated Revenue Fund, the minister who is to be responsible for the administration of the program shall, prior to the commencement of the fiscal year in which the program is to be continued or established, lay before Parliament a statement showing the objectives of the program. It should show the estimated total cost of the program over its proposed life; the method by which the cost has been estimated; the estimated sums that will be required for the program over each of the first five years; the anticipated effects of the program on the economy, environment, employment and social programs in Canada; the appropriation out of which the program will be funded.

Section 42.2 deals with the excess costs. Where the minister is informed that the cost of a program on which he has laid a statement before Parliament pursuant to section 42.1 will exceed the estimated cost shown in the statement for any year, the minister shall lay before Parliament a statement showing the amount of the excess cost for the year, the reasons for the excess and the alternatives that have been considered before concluding that the excess is unavoidable.

Looking at the bill in detail, I think it ensures that the taxpayers' money is wisely spent through good planning. The bill ensures that taxpayers' money is protected because controls will be in place to do proper accounting.

The bill ensures that taxpayers' money is not wasted through over-costing and if more money is needed for the completion of a project, justification must be given for the additional money required.

I am appealing to the members on the government side and I am pleased that the hon. member from Burlington South has spoken on this bill. He did say that this bill flies in the face of parliamentary tradition. It would threaten the ability of governments to plan strategically. It would cloud the services of the Auditor General who should not be a commentator on government long-term objectives.

I think just the opposite. I think this bill would help government plan strategically and help the Auditor General do his job.

The member went on to say he did not think requirements should be invoked which inhibit the government's ability to govern effectively. The government is governing ineffectively now and that is why the hon. member for Kent brought in this bill. This would allow governments, present and future, to plan more effectively.

The member from Burlington South went on to say the government will want to consider whether the proposed amendments are in the best interests of the House. I was never aware that the legislation we pass here is for the best interests of the serving members.

I think the legislation we bring and pass in this House should be measured by whether it is in the best interests of the people who elected us. Is the legislation we pass in the best interests of the taxpayers who are paying for these projects and programs, such as the constituent who called me just before this debate? She is a single parent with a child to raise. She earns $26,000 a year and cannot make ends meet. There is the small business entrepreneur who has to pay the GST and it is killing the business. Whatever legislation we pass should be in their best interests and not work against their best interests as some of the present programs this government has brought in are doing.

• (1740)

I am again appealing to the government members to support this bill. I know some members look at things very objectively and listen to their constituents, as the hon. member for Kent has. I know my constituents support this bill 100 per cent. What the hon. member heard from his constituents I am hearing from my constituents in Parkdale—High Park. They are just fed up with overspending.

I might remind the members that once this bill is voted on it is passed to the committee. Sure it needs a lot of fine tuning, but the committee can do that. Let us not kill a good thing here.

I hear a lot of bellyaching on this Hill, Mr. Speaker, as you do, about members wanting more freedom to vote on legislation that reflects the wishes of their constituents. Here is an excellent example. If we have any guts, and I am speaking to members from all parties and the independent members, let us show that we can do things constructively. We do not have to listen to our leaders on this bill. We do not have to listen to the Whips on this bill. We have to listen to our common sense because this is a common sense bill. If we vote for it we have done the right thing in this House once and for all by listening to our constituents. Therefore I encourage every member in this House to be on his or her feet supporting this bill as soon as we have the vote.

[*Translation*]

Mr. David Kilgour (Edmonton Southeast): I believe that I have 10 minutes, Mr. Speaker. Is that the case?

The Acting Speaker (Mr. DeBlois): You have up to 10 minutes.

Mr. Kilgour: I will not take much time, Mr. Speaker. I simply want to mention that what my colleague from Toronto just said is true. As usual, he made some good points and I fully agree with him.

[*English*]

I would like to take perhaps a different tact to what has been taken until now. I would just like to focus the members' attention on a program you may have seen, Mr. Speaker, about a week and a half ago about New Zealand. A number of people have spoken to me about it and I suspect they have spoken to other members here as well.

Let us just look at three themes struck in the CTV *W5* program. During 1984, the year foreigners simply stopped buying New Zealand government bonds, all levels of government deficit in New Zealand were at 7 per cent of its GDP. The accumulated government debt in our sister member of the Commonwealth that year was 62.7 per cent of its GDP. Its net public-private foreign debt, according to *W5* at least, was 47 per cent of its GDP.

If you fast forward to our country in 1993, the yearly budget deficit for all levels of government for 1992 was 8.5 per cent of our GDP. Our accumulated all-government debt, which is approximately $650 billion I believe, was 90 per cent of our GDP. Our net foreign debt of approximately $300 billion was 44 per cent of our GDP.

I would ask hon. members if anyone in this House thinks that federal-provincial budgets will get better during the current calendar year.

The music stopped for New Zealand's financial party in 1984, the week the newly elected Labour government of David Lange learned its central bank lacked enough foreign currency to meet bond interest payments. A very excruciatingly painful crackdown on government spending followed immediately because, as former Prime Minister Lange put it, his government was "suddenly forced to behave like it was to the right of Genghis Khan". Over the next decade, New Zealanders watched their standard of living drop from third to twenty-second in the industrialized world. A final point on that program is that the New Zealand politicians of all stripes agree that excessive government deficits did them in.

• (1745)

Richard Prebble, Labour associate minister of defence between 1984 and 1989, said: "More debt is like liquor to an alcoholic. Governments must bite the bullet". The current New Zealand health minister, Simon Upton of the National Party, added: "We had hit our credit limits. The only difference between Third World states and countries like New Zealand and Canada is that we are given more rope to hang ourselves with".

Does anyone in this House disagree? Do we really think as members of this House that the IMF is very far now from Canada's financial doors? Does anyone in the House think our country is going to avoid the New Zealand wringer if we continue to spend and borrow, the spend and borrow addiction of the Mulroney years and, in fairness, some earlier Liberal ones?

Our federal-provincial finances are simply grotesque by any objective measurement. How can any MP or MLA for that matter—and I know we prefer to blame the voters for asking for more and more government servi-

ces—look any young Canadian in the eye today? Do Canadian politicians have no responsibility to avoid putting the standard of living of our children and grandchildren at risk? If they knew what our collective profligacy had done to their futures, I think they would want to run us out of every capital across this land.

Premier Clyde Wells put this point very well the other day. He pointed out that in 1975 each Canadian family's share of the national mortgage so to speak was about $50,000. In 1993 it is about $665,000.

The problem, as some members will appreciate, is that a new government, hopefully a Chrétien government, will be caught between a very fragile economic recovery and escalating federal-provincial debt. Too much cutting too fast would cause our economy to shrink yet again, taking many real family incomes even further downward and increasing UI and other social spending, thereby ultimately adding to federal and provincial deficits.

That said, I am very proud of my leader for saying no to the purchase of 50 submarine-chasing helicopters, the price of which has already jumped from $4.4 billion to $5.8 billion even though the jobs, to put it mildly, would not be created proportionately across the country.

An hon. member: And most of them not even in the country.

Mr. Kilgour: Indeed. I guess I will leave it there. There may be other speakers. I simply want to say that I hope all hon. members in this House will respect the McGrath committee and will vote according to their consciences, not according to what their party Whips tell them to do on this important vote. We can do ourselves proud, I think all of us, by voting for it.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I commend my colleague from Kent on his thoughtful approach to a reasonable bill that would bring a great deal of credibility to this House of Commons, if this bill were passed.

We are talking about credibility. If we stop and think about a small service organization, if we stop and think about every municipal government whether it be the city of Toronto or the small town of Harrow, we know that planning for the future is done through a budget process where all people elected to office are carrying out very diligent views of what is happening within that budget process. This bill is basically asking for that budget process to be dealt with on a reasonable basis.

As a member of the House of Commons one of the things I find very difficult is the fact that I do not have access to the knowledge about how money is being spent in the government. I do not have the information I need to direct my constituents about federal spending. It has been the case ever since being elected. Projects are announced in my riding. I tried to get detailed information about those projects and it was not available to me.

One of the examples that I could give is a project that was announced in Wheatley, in my riding, a $1.5 million marina project. I went to the estimates and searched through them to try to find where that $1.5 million was tucked into the government estimates or accounts so I could make sure that this money had been put aside for that project.

I went through it in as much detail as I could. An expenditure the size of $1.5 million did not appear. It was announced during the election. A large sign was erected in the town of Wheatley, saying "$1.5 million for a marina to be constructed here." However, that money was not placed in the estimates. It was not placed where the general public or a member of this House of Commons could have found it.

Pursuing through the bureaucracy to try to find where those dollars were spent and how those dollars could be brought to Wheatley, I could find no record anywhere. I could not find a department that could say that money had been placed there. This is four years later, and that has not been spent. The sign was placed there saying that this project would go ahead but it is not there.

The Acting Speaker (Mr. DeBlois): It being 5.50 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.

An hon. member: On division.

Motion agreed to, bill read the second time and referred to a legislative committee in the Economics envelope.

[*Translation*]

SITTING SUSPENDED

The Acting Speaker (Mr. DeBlois): It being 5.52 p.m., I suspend the sitting until 6 p.m. for the debate on the adjournment motion.

At 5.52 p.m., the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 6 p.m.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ENVIRONMENT

Mr. John Brewin (Victoria): Mr. Speaker, on November 27 last year I raised a question with the Minister of the Environment concerning assistance from the federal government to the area of Victoria with regard to the sewage treatment problems it is having.

As it considers this issue the House should first understand that over one thousand communities in Canada dump raw sewage into Canada's lakes, rivers and streams. Unfortunately Victoria is not alone, although we are probably alone in the international abuse we are taking for the problem. In this we feel very much aggrieved.

We have tried hard to deal with the sewage treatment problems in our area. We have a new collector system. We have a modern screening system. We are taking the advice of engineers on how best to dispose of our sewage.

As the House may know, although many members will not have an acute grasp of the sewage problems of Victoria, the system the engineers have recommended would take the sewage well out into the straits of Juan de Fuca where the waters are cold and quickly moving. The engineers tell us, though most of us as lay people find it impossible to understand and believe, that it is quickly absorbed into the water and is of very little serious consequence to the environment.

Be that as it may, we in Victoria are determined to deal with this problem. It has given us international difficulties. The member opposite who will be replying for the government seems to smile at this. It is not a happy problem for the people of Victoria, and I suggest for the people of Canada, because of the consequences. Conventions have been cancelled because of this problem. We think it is an unfair rap because we have tried.

We look to the federal government for support in two areas. The first area is the problem of communicating the facts about the efforts that are happening in Victoria to our friends, particularly in the United States, who are being encouraged not to understand this issue as it should be understood. Instead of laughing at us, I would hope that the government would be sympathetic with us on this issue and would help us with a communications strategy.

Second, I would hope that the government would be prepared to sit down with the provincial government, the capital regional district and the local municipalities to determine if we can actually come up with a more effective method of treating our sewage. In our community on the whole we simply do not accept the engineers' advice. We would like to see better sewage treatment than we are getting.

We have to continue to deal with the other environmental problems in our community including how to get rid of liquid waste and solid waste. We are trying to do that, but it would be helpful if the government would be prepared not just to try to sell us some surplus land, which was the government's most recent offer, but to constructively sit down and help.

The federal government provided $200 million to Halifax to help it with its sewage treatment. So far the government has not put up one dollar to help the people of Victoria. I hope the government will take this problem seriously, as we do, and assist us in dealing with this very difficult environmental problem.

• (1805)

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I can assure the hon. member opposite that the minister stated back on November 27 when the member asked his question that the municipal waste water discharge is an

environmental issue that needs to be addressed. British Columbia's ministry of the environment, lands and parks is now taking a very strong stand with respect to municipal waste treatment in British Columbia and is requiring that all municipalities move toward secondary treatment systems.

The hon. member for Victoria made specific reference to the situation in Victoria. Let me assure all members of the House that this government is committed to encouraging the provision of the necessary sewage treatment system in Victoria.

The federal government's goal is to promote a sound approach to management of municipal waste waters. The federal approach is built on its role related to technological development and transfer to promote the optimization of municipal treatment facilities, public education about water use and responsible decision making, the use of economic instruments such as full-cost pricing to provide adequate funding for municipal infrastructure requirements, environmental stewardship to ensure that federal waste waters are dealt with in an environmentally sustainable manner, and the development of a better scientific understanding of the environmental impacts.

I am sure that the member for Victoria is well aware that the federal government is in the midst of intensive discussions and negotiations with the capital regional district of Victoria and the province of British Columbia concerning the treatment of Victoria's sewage, and progress is being made. Given the position being taken by the province, we remain very optimistic that a negotiated agreement can be reached and that the city of Victoria will soon be developing plans, obtaining land, confirming funding, and beginning construction of appropriate sewage treatment facilities.

As part of this government's leadership in promoting sustainable development the polluter-pay principle has been adopted in decision making on environmental issues. As the municipal and provincial governments have the primary responsibility for the management of municipal waste waters and treatment infrastructures, we recommend to the responsible authorities the use of economic instruments such as user fees in addressing this issue.

THE ECONOMY

Mrs. Diane Marleau (Sudbury): Mr. Speaker, on November 26, prior to the finance minister's economic statement, I asked in this House whether his forecast would be accurate and reliable with respect to the deficit. As well, I asked whether he would put forward measures to create jobs now for our unemployed. The finance minister answered that his statement would give encouragement, optimism and hope for the future.

Surprise, surprise. It certainly did not do that. Instead, the finance minister presented a stay-the-course budget with more cutbacks and more attacks on the jobless, recipients of unemployment insurance, and public servants. Besides failing to stimulate the economy, Canadians were faced with higher unemployment into the future.

As if this were not enough, the finance minister had to admit in his economic statement that this government has been unable to deal effectively with its pet economic cause, which is the deficit. The finance minister admitted in his economic statement that the deficit for this year would actually be $7 billion higher than he had predicted the previous year, and that it would be $10 billion higher the following year.

I wonder today whether even those predictions are false because I gather that the deficit will be even higher. It might be as much as $8 billion higher than he had predicted.

It is three months later, and we are asking the same questions. The finance minister in previous years said that this Conservative government was absolutely going to give us a budget every year at the same time in February. Of course, it forgot to say that it would not do it in 1993.

Then we had the scenario of the off again, on again budget. First he was going to give us a budget some time toward the summer, but then we were not sure because he was not sure whether he was going to run for the leadership or not. Now I gather we are going to have a budget after the Easter break.

• (1810)

I am going to ask again if the government is prepared to listen to Canadians. Canadians really need hope. More and more are joining the ranks of discouraged Canadians.

We can quote statistics and can talk about fundamentals, but when I am in my riding office person after person comes to me saying: "What am I going to do? I do not have a job. I want a job. I want to work". Other people are telling me that they are worried whether they will have their jobs next month.

What will the government do to provide some hope? Is it possible or is it absolutely impossible? Has this government totally lost touch with the realities of Canadian life?

It is absolutely essential first, to have the kinds of forecasts we can rely on and, second, to give some hope to Canadians by creating some jobs right away, not sitting there, doing nothing and waiting for something miraculous to happen and then maybe there will be jobs for Canadians.

Once again I ask that the government give Canadians, not just me, the replies and actions they have been awaiting for some time now.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to the Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the government in the House of Commons): Mr. Speaker, the member for Sudbury asked if the government would present a deficit forecast in the economic statement. As she already knows, the government has presented its new deficit forecasts: $34.4 billion this year and $32.6 billion in 1993-94.

The member will have noticed that the deficit outlook for this year and next has deteriorated essentially because of the drop in revenue due to the slow recovery of the Canadian economy from the 1990-91 recession.

The member says that Canadians want jobs. I wholeheartedly agree with her on that. But what does she recommend? Maybe a magic economic formula? Of course Canadians want jobs. Perhaps the member would like to use a magic wand to create them. The Canadian economy was slowed down by a world-wide economic crisis. Just wishing that it were not so and that everyone had jobs will not make our problems disappear. Much as the member might want it to be so, the Canadian economy cannot be the little engine that will pull the world economy out of its slump.

The government's economic strategy is to invest in growth. Sound budgetary and monetary policies, streamlining the machinery of government, freer trade and broader opportunities for business have created an economic environment favourable to the private sector. This is the sector which holds our potential for future growth.

By investing in Canadians acquiring skills, we have a more productive labour force and more competitive producers. More funds are being given to manpower training programs. Investing in human resources will ensure the basis for lasting improvements to our prosperity.

Small businesses create the most new jobs in this country. The government has helped them with various tax breaks and incentives for research and development. The government is proposing an exemption for unemployment insurance premiums to small businesses that create more jobs next year. It is proposing a 10 per cent investment tax credit and raising the limit for loans to small businesses.

[*English*]

ROUGE VALLEY

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, as I said in the House of Commons last November, I was astounded to hear that the NDP's interim waste authority had included site M-6 which borders on the Rouge River Valley on the short list.

I went on to say that if the NDP government were foolish enough to proceed with this site, my government would seriously consider terminating the $10 million financial commitment we made in 1988 to help create a natural heritage park in the Rouge Valley.

In mid-January the NDP government approved a plan to create the natural heritage park which will be 20,000 acres in size or 26 times the size of Toronto's High Park. This news while late in coming is wonderful. What is far from wonderful is that the IWA is still considering M-6 as a possible site for metro Toronto's 40 million tonnes of garbage. When we made the $10 million commitment for the park it was conditional on three critical elements: no dump, no roads and no housing in close proximity.

• (1815)

I have talked to the federal Minister of the Environment and he is very concerned and disappointed that a

megadump is still being considered on site M-6. It is simply too close to the proposed park.

Just today I heard that the IWA had drilled seven test holes on the site and it expected this step to be finished by the end of March. Anne Katsoras who chairs the citizens' advisory committee against the dump told me today about that news and said the community was working hard to organize several events to help raise community involvement and awareness of the seriousness of the M-6 site proposal and to help raise money.

The NDP government continues to ignore considering viable options such as incineration or the rail haul option to the Adams mine site near Kirkland Lake.

Provincial Bill 143 forbids consideration of all other options. Landfill is the only option to be considered. It restricts the area for the megadump. It says metro Toronto's garbage must be dumped in York region. It could not, for example, be dumped one-half mile outside York region. This is crazy.

The NPD government continues to close its eyes and ears to the views of the people of this province. We will not forget or forgive it for this arrogance and insensitivity. There will be an election in two or three years. As I have said in my December 1993 mailing to 52,000 residents of Markham—Whitchurch—Stouffville: "We will throw Bob Rae and Ruth Grier out of office before we allow a shovel in the ground at M-6".

Bud Wildman was recently appointed minister of energy and environment and Ruth Grier was shifted to the health portfolio. Howard Hampton became minister of natural resources. We would think that these new ministers might have taken a new look at the absolute havoc bill 143 will create in Ontario.

Regrettably they have missed this opportunity. They are still marching blindly to Bob Rae's band which is determined to wreck this once great province with regressive tax measures, harmful labour laws and outlandish spending resulting in horrific deficits, to say nothing about Bill 143, one of the most undemocratic laws I have ever seen.

If the Rae government would simply listen to the people and the facts it would have another good reason to forget about the M-6 site. One reason concerns Transport Canada and its bird hazard guidelines published in 1989. These guidelines stated that a dump site could not be created within an eight-kilometre radius of an airport or a heliport. The M-6 site is only three kilometres from the heliport at Markham—Whitchurch—Stouffville hospital. This is a 24-hour emergency service. The M-6 site is also less than eight kilometres from the Markham airport and is only 2.5 kilometres from the edge of a potential international airport on the Pickering lands.

The Minister of State for Transport has also expressed her amazement that the Rae government would ignore the guidelines and therefore put people's lives at risk since air crashes are a distinct possibility when there are thousands of sea-gulls at a megadump.

In closing I want to say again that I will do everything I can to stop Bob Rae and the IWA from creating a megadump at the M-6 site. I cannot believe they would be so stupid to proceed with M-6.

In the end we may have to drag this issue into the courts for two or three years, by which time there will be an election and we can throw the rascals out along with the IWA.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I commend the hon. member on his perseverance in the situation in the Rouge Valley.

The IWA or the Interim Waste Authority was established by the Government of Ontario to examine and review all potential landfill sites within the regions of Durham, Peel and York metro. The members of the advisory board are charged with making a single recommendation for a landfill site in each area by mid-1993.

The inventory of the potential sites was based on scientific and technical data rather than on political and social pressures or considerations. That is the over-all game plan of the Ontario government. It functions at arm's length from the Government of Ontario and its recommendations reflect the members' technical assessment and not the government's plans or policies.

The IWA has reduced its long list of 50 sites down to a short list which still includes M-6, an area bordering on the Rouge Valley. Consequently M-6 will be assessed in terms of its technical feasibility. Adjacent land use and other influencing factors will be weighed accordingly when its suitability is being considered.

• (1820)

Subsequent to the IWA final recommendations, public hearings will be held to encourage input and inquiry into the appropriateness of the recommended sites following the consultation stage. The final decision will still rest with the Ontario cabinet.

In all likelihood the next stage of technical assessment will eliminate M-6 from the short list. As IWA operates independent of the government's proposed plans for land use in the Rouge Valley and as the government's current support for a park in the Rouge Valley neither restricts nor encourages the IWA's review process, advising the Ontario government of the federal government's concerns would not prove effective at this time.

The minister of natural resources made the Government of Ontario's position quite clear on January 19 of this year when he announced the creation of an urban park within the Rouge Valley and the preservation of 8,000 acres of adjacent agriculture land. The M-6 site is located within the area identified for preservation as agriculture land.

In evaluating the suitability of M-6, the IWA will now have to take into consideration the Ontario government's expressed intention to establish a park in the Rouge Valley. It is a decision which will likely have considerable influence in the IWA's final assessment of M-6 suitability for landfill purposes.

I remain confident in the Ontario government's commitment to the Rouge Valley park. I am hopeful that the IWA recommendations will not favour the M-6 site, given its current and projected adjacent land use.

When the IWA recommendations—

The Acting Speaker (Mr. DeBlois): I am sorry, but the rules are tough. The hon. member for Burnaby—Kingsway.

[*Translation*]

AIDS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, on December 1 last year, I asked a question in the House about federal funding for the fight against the AIDS epidemic. I asked the government to accept the unanimous recommendations made by the four main groups that are fighting against AIDS in Canada: the Canadian AIDS Society, the Canadian HIV Research Foundation, the Canadian Hemophilia Society; and the Canadian Public Health Association.

Last week, these four associations and all Canadians received the government's response. It was negative.

[*English*]

The response of the Conservative government was a devastating blow to those involved on the front lines in the fight against AIDS.

Instead of the budget of $55.35 million per year which was requested as a minimum by the four groups to which I have just referred as well as by the *ad hoc* parliamentary committee on AIDS in a strong and unanimous recommendation to the government, the Minister of National Health and Welfare allocated $42 million a year. This falls far short of what is essential in the fight against AIDS. Tragically we will, of course, spend more money later rather than now on prevention and on assisting community groups that are on the front lines of the struggle against this epidemic.

I want to ask the parliamentary secretary to the minister for an explanation as to why this government ignored the recommendations of the four national groups that are on the front lines in the fight against AIDS as well as the *ad hoc* parliamentary committee. Why did it ignore these recommendations?

Government says it does not have enough money for the fight against AIDS. At the same time it is prepared to spend $5.8 billion on attack helicopters. This government is morally and ethically bankrupt.

On the same day I asked the government when it was finally going to keep the promise to amend the Canadian Human Rights Act to prohibit discrimination based on sexual orientation.

Over seven years ago, seven long years, the Minister of Justice of the Conservative government promised to accept the unanimous recommendation of the equality rights committee and to amend legislation federally to prohibit discrimination based on sexual orientation.

The Ontario Court of Appeal said that the federal government's law was unconstitutional, that it violated the charter of rights. How did the minister respond? The then Minister of Justice is now the Minister of National Defence. She wants to be leader of the Conservative Party. She said: "Well, okay. I will bring in an amendment to include sexual orientation". However, in the same breath she brought forward an amendment that denied the reality of gay and lesbian relationships. It

restricted the definition of those relationships and restricted the definition of marital status to opposite sex relationships.

That is not only an attack on committed loving relationships, but it also flies in the face of the Leshner decision of the Ontario Human Rights Tribunal. It flies in the face of the very eloquent comments of Madam Justice Claire L'Heureux-Dubé when she spoke in the judgment in Mossop on the reality of Canadian families.

I call upon the government to bring forward the necessary and long overdue amendments to ensure full equality and justice for lesbians and gay men in this country, but not to take away a fundamental element of that equality by defining marital status in the narrow and restrictive way that the Minister of Justice did.

In conclusion, I once again appeal to the government to increase the level of funding for the epidemic against AIDS and to amend Canadian human rights legislation to prohibit discrimination based on sexual orientation and also to recognize the reality of lesbian and gay relationships in that act and in all other federal legislation.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister for External Relations and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, in response to the hon. member for Burnaby—Kingsway, on March 11, 1993 my colleague, the Minister of National Health and Welfare, announced that the government would renew the national AIDS strategy.

The renewal of this strategy for a period of five years, at a time of severe financial cutbacks, is an indication of the federal government's commitment to meeting the challenge of fighting AIDS and HIV-related diseases. The national AIDS strategy, phase two, will receive annual funding totalling $42.2 million, or $211 million over the next five years. This new funding represents an increase over the annual $37.3 million provided in phase one.

At a time when federal departments are being asked to downsize their programs, this investment in the health of Canadians is tangible proof that the federal government is committed to finding a cure for this disease.

The Minister of National Health and Welfare has also asked his deputy minister to provide an annual supplement of $1.5 million from his department to improve support for initiatives in this area.

Furthermore, the Medical Research Council of Canada is committed to spending $2 million annually over the next five years to support AIDS research. Since 1983, the Council has spent more than $13 million on research and education in this field.

That is why I appeal to all Canadians to get involved and support what is being done by the government, community groups, researchers, health professionals and the private sector.

As the minister has said repeatedly in the House and on many other occasions, this government remains firmly committed, now and in the future, to the objectives of the national AIDS strategy.

In concluding I would like to add that I think the national AIDS strategy is an indication of this government's commitment to improving its social policy and making Canada a healthy country.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, March 17, 1993

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

LEADER OF THE OPPOSITION

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, we saw something quite sensational in the headlines this morning, a stroke of genius on the part of the Leader of the Opposition, who has found another candidate to help with this country's renewal. His name is Elijah Harper, well-known for his unfortunate tactics and formerly a member of another party.

One may well wonder about all this, especially since on the weekend, speaking to party members who were tired, anxious and starting to have their doubts, he had the following comment on the Progressive Conservative Party's leadership campaign: that we still had the same substance but were only changing the labels.

I wonder how seriously we should take the Leader of the Opposition, who wants to change the labels while resurrecting yesterday's men. I am thinking of people like Messrs. Munro, Johnston and Samson, who according to the Leader of the Opposition are some of his best candidates.

I wonder why the Leader of the Opposition is so prompt to criticize the government and the Progressive Conservative Party right in the middle of its leadership campaign, considering that some of his decisions have had a questionable impact on the renewal of this country.

[*English*]

GOVERNMENT EXPENDITURES

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the federal government's estimates of a few days ago attacked literacy programs, seniors, aboriginal programs and official languages. This week the Progressive Conservative Government of Manitoba has decided to do away with over 50 organizations, among them the Manitoba Anti-Poverty Organization, organizations that deal with the physically handicapped, child care, native friendship centres, and *l'Association canadienne d'éducation de langue française*.

All of these organizations, including the Manitoba Anti-Poverty Organization, render services to the poor, to those who have less, to the handicapped and to those who need more in order to be able to fully contribute to society.

It is totally unacceptable, it is insensitive and it is deplorable that governments would try to cut back on the backs of the poor, the defenceless and those who do not have political power. I abhor that practice.

* * *

TELECOMMUNICATIONS

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have received a significant number of complaints from constituents regarding unsolicited facsimile advertising and automatic telephone solicitations. Businesses and consumers are extremely annoyed at the waste of time and the expense and nuisance to which they are subjected. In the case of faxes, expensive paper is wasted and their machines cannot receive or send important business communications. Telephone advertising ties up staff, telephone lines and answering machines which sometimes must be played back long distance at a cost.

I advise all constituents who contact my office to register with the Canadian Direct Marketing Association to have their names removed from lists. However, companies owned by one particular individual are not members of the CDMA and are the worst offenders.

Bill C-62 is currently pending. It will give the CRTC greater authority to deal with this problem. I urge that this bill be expedited and that the CRTC and Bell Canada act promptly to tackle this irritating and expensive problem.

* * *

• (1405)

SENIOR CITIZENS

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, Canadians finally have a commitment from the Minister of Finance that there will be a budget this year.

What Canadians, particularly seniors, now want is a commitment from the minister that the programs they rely on will not be destroyed in the name of deficit reduction.

Canadian seniors have suffered more than their fair share from this government's economic mismanagement. Cuts to medicare hit hardest among those who need health care the most. Cuts to independence and research programs jeopardize the future health and well-being of older Canadians.

The time has come for the Conservatives to stop blaming others for the mess they have created and start taking steps to help Canada's three million seniors.

* * *

[*Translation*]

HON. JEAN CHAREST

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, speaking before an audience of more than 1,500 supporters last night in Sherbrooke, Jean Charest said, when he announced he would be a candidate for the leadership of the Conservative Party: "It is wrong to say that a leader is being selected without a single idea having been expressed."

He went on to say: "Democracy claims its rights. This race must be a debate on ideas. A debate on organization is no substitute. The grass roots of the party will decide, and no one else. When I say new generation, I am not refering to age. No generation is right or wrong because of its age."

"The Conservatives are looking for a leader who will introduce a different style and new ideas", he pointed out.

He also said: "The Government of Canada must continue to support restructuring of the economy. Once we have changed the structure of our economy, we must review the Canadian social contract to which this economy is linked. It is wrong to say that Canadian society must accept poverty or high unemployment."

* * *

[*English*]

CANADA PENSION PLAN

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, the member for Mississauga South has sent a questionnaire to his constituents. He wants to know whether the Government of Canada should eliminate or keep the old age pension.

This same member is the one who forewarned us that the GST would be a cash cow for the government, and he was right. He was also the one who told us that the universality of social programs would be ended, and he was right again.

The member for Mississauga South obviously has inside knowledge of government thinking. By asking the question now, is he warning us that the elimination of the old age pension is being considered by this government? Is he testing the water to determine what the public reaction would be if the government were to go ahead and do that?

Canada's seniors are entitled to have this information. Canadians and we in this House want to know, not after the next election but now. We want this government to assure us today that the implications of that member's question are being repudiated by this government.

* * *

GROSSE ÎLE

Hon. Alan Redway (Don Valley East): Mr. Speaker, today is St. Patrick's Day, a day when the whole world is Irish and our thoughts turn to shamrocks, leprechauns and the wearing of the green. But the thoughts of Canadians of Irish origin will also turn to Grosse Île, an island in the St. Lawrence River just east of Quebec City that served as a quarantine station for European immigrants who came to Canada between 1832 and 1860.

More than 15,000 Irish immigrants, the victims of famine and disease, are buried on the island. For Canadians of Irish origin this is indeed a sacred and hallowed ground.

Parks Canada intends to develop Grosse Ile as a national historic park, not to commemorate death and disease but rather as a welcoming place for the celebration of the human spirit. Hopefully, the development will also be sensitive and respectful to the mass graves, to the memories of those who died and to those who cared for the dying, while at the same time recognizing the contributions that Canadians of Irish descent have made to our country.

* * *

PHARMACEUTICALS INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, two days ago the government member for Don Valley East ridiculed the opening of a new $200 million facility by Apotex Inc., Canada's leading generic drug manufacturer.

This member not only showed his profound ignorance, but clearly demonstrated the disdain which his government has for Canada's generic drug industry, an industry which is vibrant and indispensable to our national economy and employs over 3,000 Canadians with more than $430 million in sales.

Moreover, last year alone, lower priced generic prescription drugs saved Canadian consumers and provincial governments an estimated $1 billion.

If the Tory legislation extending protection to the more expensive multinational brand-name manufacturers is allowed to remain on the books then Canada's compulsory drug licensing system will be destroyed forever.

• (1410)

Rather than ridiculing Apotex for opening a new facility and creating much needed jobs the government should be congratulating Apotex, Novopharm Ltd. and the others. Regardless of who its leader is going to be it will lose the next election, and one of the reasons is because—

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

* * *

IMMIGRATION

Mr. Stan Wilbee (Delta): Mr. Speaker, British Columbia residents are rightfully alarmed over recent reports of a large influx of Asian criminals moving into Canada.

RCMP inspector Doug Ewing is quoted as having said: "Many of the world's most ruthless, vicious criminals have already set up power bases in Canada". Criminal Intelligence Service Canada said that Triad members already in the country are involved in drug trafficking, gambling, extortion, prostitution, money laundering, armed robbery, alien smuggling and counterfeiting of credit cards.

I call on the government to ensure that immigration officials, Revenue Canada, the RCMP, co-ordinated law enforcement units and local police will get full support in their efforts to stop the immigration of criminals into the country and to deal firmly and quickly with any immigrants or visitors who flaunt the justice system of this country to the detriment of all Canadians, especially other honest and law-abiding immigrants and fellow citizens.

* * *

CONSERVATIVE LEADERSHIP

Mr. Stan Keyes (Hamilton West): Mr. Speaker, Boyer in, MacDougall out, Valcourt out, Beatty out, Wilson out, Maz out then in and then out again. Garth, Garth who? Campbell, you bet. Charest in then maybe out, but then enter the puppet master who has pitted his apprentices one against the other.

From his lair at 24 Sussex Drive the PM explains to the environment minister that he must enter the leadership contest to at the very least give the illusion that there is a race for first place.

The poor member for Sherbrooke was first told by Tory strategists, now there is an oxymoron, to wait until the new Tory leadership race to be held after the defeat of the party in the next election but the PM tells him: "Faith and begorra Jean, we can't be having a coronation".

It is a cruel hoax on the Minister of the Environment. Canadians have seen through this charade, this phoney debate. As the poet William Makepeace Thackeray said: "All is *vanitas vanitatum*". Let him shut up the box of puppets, for his play has been played out.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, last week, when he appeared before the CRTC, the president of the CBC said that the corporation would now give high priority to implementing a French all-news service as a counterpart to *Newsworld*. "Our French audience is entitled to a good news service," Mr. Veilleux is reported to have said. He compared the lack of a French *Newsworld* to a regional disparity.

For nearly four years, anglophones have had a news channel in their language. Although the Broadcasting Act states that the corporation should seek to offer equivalent programming in French and English, we francophones have had only poor proposals that were either rejected by the CRTC or abandoned.

Allow me to wish the president of the CBC and his whole team better success this time, before the situation becomes awkward.

* * *

[*English*]

DISABLED WOMEN'S NETWORK CANADA

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, this government has killed the only national organization that represents and works for women with disabilities across Canada.

DAWN, the Disabled Women's Network Canada, will be forced to close its doors by the end of this month. Since 1985 DAWN Canada has worked hard to put disabled women's issues on the federal agenda, including their special concerns about violence, employment, parenting, self-image and new reproductive technology. Canadian women with disabilities depend on this important organization for information, networking, research and support.

I urge the Secretary of State to provide adequate funding to DAWN Canada so that it may continue its important work on behalf of women with disabilities.

* * *

THE *GOLD BOND CONVEYOR*

Mr. Howard Crosby (Halifax West): Mr. Speaker, I know all members of Parliament will want to record their sympathy for the families of those who lost their lives in the tragedy that befell the *Gold Bond Conveyor*.

The 32 crew members who perished in the cruel seas of the North Atlantic, though not Canadians, represent all the men and women of the world who go down in the sea in ships. The oceans are a cruel grave and a constant reminder of the power of the Almighty.

• (1415)

All we can do is extend sympathy to the families of the deceased seafarers and pray there are no further tragedies yet knowing there will be.

* * *

STATUS OF WOMEN

Mrs. Christine Stewart (Northumberland): Mr. Speaker, every day women are victimized by circumstances, misconceptions of their place in Canadian society, targets and victims of violence. Each year we set aside a few days to focus on women's issues but as long as women experience injustice, inequality and inferior status in Canadian and international society we must struggle daily, not once a year, to correct wrongs.

Unequal pay for work of equal value, abuse in the work place and responses which further victimize the female victims, media and commercial depictions of women which are demeaning and violent, these and other injustices against women must be corrected.

Today 60 per cent of women are employed in the work force. However, we must compare the opportunities available to women to those of their male counterparts and recognize women are as capable and productive in the work force when given the opportunity.

Child care and training opportunities must be more available to women. Mothers who wish to raise their own children at home should have adequate recognized training to provide care for their own children and others in their home if so desired.

We do not need a few superwomen. We need a society where all women are guaranteed equality and are assured justice and dignity.

* * *

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the government is heavily chopping back the immigration service for which Canadians pay fat fees in addition to taxes.

For a year the new mail-in application system in Toronto has been failing. Since April 1992 over half of the mailed in application questionnaires have been returned to senders for corrections. This is because applicants can no longer get help from immigration staff.

MPs' inquiries often go unanswered for over a month. Local immigration staff often admit there is no immigration officer to work on the constituent's case.

Now the government has announced that in order to centralize mail-in service for all Canada at Vegreville next year, it will terminate more than 900 permanent and temporary staff. It will close 11 Canada Immigration Centres and replace 13 more with a single officer in the Canada Employment Centre.

This means massive work backlogs and delays so that only Canadians rich enough to hire a lawyer can get good service and the rest of Canadians must suffer third-class service.

ORAL QUESTION PERIOD

[*Translation*]

THE ENVIRONMENT

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, in the absence of the environment minister, I would like to ask the Minister for International Trade a question.

Yesterday, concerning the discussions now underway on the environment commission under the North American free trade agreement, I would like to know from the minister, or even better, from the environment minister, whether the environment minister agrees that the commission has no power to compel both the Americans and the Mexicans to have environmental standards that are as high as Canadians' standards.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker—

Some hon. members: Hear, hear.

Mr. Charest: I have nothing else to add, Mr. Speaker.

Seriously, to put this issue of creating a North American environment commission in context, the decision was made with the previous American administration in September to create this North American environment commission. At that time, the three ministers concerned held a trilateral meeting in Washington.

At the time we mandated our respective officials to define for us what its mandate would be or at the very least to provide us with options, which they started to do, except that since then, there was an election in the United States. The new American administration asked us of course to take the time to study this issue and to come back. We are still waiting for the American administration to respond.

Now, as for the specific question raised by the hon. Leader of the Opposition, issues of sovereignty overlap some regulatory issues. We must take all that into consideration. The negotiations in the coming days will show us where the parties want to go on this.

• (1420)

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, if it is the intention of this government to have a commission that will have some real power, then it has to be a watch-dog which has some teeth, not a lap-dog that is there to serve the interests of the big industries that want to pollute the environment and use it to make the Canadian situation more difficult. Will the minister talk to his other colleagues?

I also want to congratulate him on showing more guts than all those other people who have run for cover, because it is never over until it is over. My good friend the Irishman, Yogi Berra, said that some years ago.

Some hon. members: Oh, oh.

Mr. Chrétien: Will this government have one clear policy on this matter? We need international standards that are strong, not just a committee that will help the big industries to keep polluting and using it as an advantage against countries which respect the environment.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, this is the first time I heard that Yogi Berra was a Liberal.

What we are seeking through these negotiations is an opportunity to strengthen environmental co-operation among the three countries from a continental point of view. We must keep in mind—and the hon. Leader of the Opposition should know this—that when the Americans have talked about environmental agreements between the countries they have mostly focused on border issues between Mexico and the United States.

I have found in my discussions with our American counterparts that in 90 per cent of the cases those are the types of issues they are focusing on. Canada has insisted that if there are going to be these types of negotiations and we enter into these negotiations then we want a continental perspective given to them.

We have looked for strengthening of environmental co-operation, better enforcement as one of the key elements in so far as Mexico is concerned. We have even co-operated bilaterally with the Mexicans in this regard.

Of course we want the promotion of sustainable development and a trinational body. What we want to do, and I think it will be part of the discussions, is to explore the relationship between the trade commission and this environmental commission. We look forward to hearing what our American counterparts have to say on this.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I thank the minister for his answer, but does he not believe that it would be better now, when we have a golden opportunity to ensure adequate environmental standards in all three countries, if the Minister for International Trade did not proceed immediately with the legislation, so that our partners know that we are very serious about our environmental demands? If we wait, they will know that we are serious, but if we pass the legislation now, they will not take us seriously, of course.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I took an active part in the preparatory discussions for this North American free trade agreement. My colleague, the trade minister, considered the representations made. He even became an environmentalist for this purpose and the end result is a very green trade agreement that contains unprecedented environmental provisions.

The trade agreement itself, I think, deserves the approval of this Parliament, and I am telling you that as Minister of the Environment.

Furthermore, we were able to use the trade negotiations as a lever to create a North American environment commission. We will negotiate with the two other countries to give it a clear mandate which will serve the cause of sustainable development. In the coming days, we look forward to finding out the position of our American counterparts so that we know exactly where they want to go with this.

* * *

[*English*]

TRADE

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the Minister of the Environment has just said he is waiting to see what the U.S. position is. The minister of trade knows very well that the U.S. position is tough. The United States trade representative has said the Americans will walk away from NAFTA unless they get three tough side accords on the environment, on labour and on import surges.

• (1425)

Yet the minister of trade for his part has said that he will not agree to any side accord if it infringes on Canadian sovereignty. The minister must know that any international agreement necessarily involves some derogation and limitation of sovereignty.

Can the minister say how the United States' tough accords, which he presumably rejects, will not in effect limit the sovereignty of all three countries? Or is he saying that Canada will now walk away from NAFTA if the United States demands these tough accords?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend and his leader talk about sovereignty. I have said that we do not accept an invasion of our sovereignty through the ability of the United States to apply sanctions against Canada. I am sure Mexico would take that same position.

I would be interested to know whether that would be the position of the Liberal Party of Canada. Is the Liberal Party of Canada prepared to accept the United States telling us how to run our environmental matters? Is it prepared to accept the United States telling us how to administer our labour laws? I would be very interested in hearing what the position of the Liberal Party is, if in fact it does have such a position.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the position of the Official Opposition has long been that we need stronger environmental and labour standards in the NAFTA.

The minister speaks of sovereignty. The fact is he has said that he is happy with the present agreement. No change, no additions. He will take it exactly as it is. The United States has now said it wants more.

Why is it that Canada does not want more? Why is it that the minister will accept that the United States can say: "Yes, we want more on environment and we want more on labour standards", but Canada says: "We do not even want to raise the central question of subsidies. We do not even want to raise that because that changes the agreement itself".

How can we have parallel accords on the environment and labour and at the same time not seek a parallel accord on subsidies?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I hesitate to say this but either my hon. friend is showing his lack of understanding of the NAFTA agreement or he is playing a little political game which in view of his intelligence I believe that is precisely his objective.

We have made it clear. The United States and Mexico have made it clear that there will be no reopening of the agreement. My hon. friend is quite aware of the fact that if there are changes to the subsidy code, which he wants and which we would like to have too, it is not possible without a reopening of the agreement.

There are objectives of the side agreements on the environment and labour. On the environment there is the creation of the North American commission, strengthening environmental co-operation, pushing for better enforcement of environmental rules and promoting sustainable development. All of these things we have been seeking for the last year. We are pleased that the Americans have taken it upon themselves to reopen and seek those same things.

We are working on something that has been part of the Canadian agenda for one full year, but it does not need a reopening of the agreement.

What my hon. friend wants is a reopening of the agreement and if he is seeking that, he had better be prepared to put some other things on the table and that I have not heard from the Liberal Party as yet.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, this is a proud day for all of us who have Irish ancestry.

I too have some questions for the Minister for International Trade. My focus is directly on the involvement of the American people and the House of Representatives and the Senate in an ongoing public debate through extended legislative committee hearings in Washington on this issue.

• (1430)

While the United States has dramatically altered what is on the table through the parallel accords and while there is massive input by American citizens in this altered negotiating position, the Canadian government has refused to allow its own standing committee to travel coast to coast, to Mexico and to Washington so that we can show the American and Mexican people exactly what the problems are and vice versa.

Why is the Minister for International Trade curtailing access to these debates by Canadians by not allowing the committee to travel to Mexico and the United States? What has he got to hide? What is he hiding?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, we have been quite open in seeking public debate, but my hon. friend should speak to his House leader. His House leader will not let us put this matter to a committee.

We had committee hearings in November, December and February and now when we want to send the matter back to committee his House leader will not let it move forward.

My hon. friend talks about sovereignty and here he is going down to the United States, cap in hand, seeking support from the Americans, saying: "Please, please Americans help us out with our problems in Canada". That is the New Democratic Party in their strong Canada-first stance.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, it embarrasses me to inform the minister who has just responded to my question that the request he has outlined has already been denied in writing by the House leader of the government.

The House leader of the government has said no trip to Mexico, no trip to Washington, no extensive televised conferences and no hearings. We may go to Saskatchewan and that is it.

If the minister is concerned about the Canadian people getting access, if the minister is concerned about this information being made public, then I say, why is the minister not giving the same answers that the government House leader is? They are out to hide these hearings and this evidence proves it.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I can understand why in the middle of a heavy snowstorm my hon. friend would like to go to Mexico, but Saskatchewan is open for him, New Brunswick is open for him, Newfoundland is open for him. He can travel anywhere in Canada.

I would have thought that with the Canada-first stance of the New Democratic Party the member would be seeking the advice of Canadians, not Mexicans and not Americans.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, indeed I have taken the advice of Canadians. One piece of advice I have taken is from the former negotiator for the Conservative government on the free trade agreement, Mr. Gordon Ritchie. This is his advice, and I quote: "Gordon Ritchie, former deputy chief negotiator for the Canada-U.S. pact said that Canada's position on the side deals is a negotiating blunder".

If the former chief negotiator for the government says it is a blunder, how can the minister possibly accuse Mr. Ritchie of not having Canadian interests? How can he accuse Mr. Ritchie of not consulting with Canadians? Frankly, this government is still keeping the information secret.

I ask this minister whether or not he agrees with Mr. Ritchie's statement. Yes or no? Is Mr. Ritchie right in this statement?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I believe my hon. friend was in Mexico when the hearings started in November. If he had been here for all of the hearings he would have a better understanding of the range of positions that people have been taking.

If my hon. friend would like to debate the side issues, let the matter go to committee so that the issues of the environment and labour matters which is a continuation of the agenda that Canada started in February 1992 can be negotiated. If he wants to have input on these issues he should tell his House leader to forget about the boondoggles and going down to Acapulco in the middle of winter and come up to Canada and debate the issue.

* * *

• (1435)

NATIONAL DEFENCE

Ms. Mary Clancy (Halifax): Mr. Speaker, today Max Yalden told us the reports of sexual harassment in the military increased dramatically in 1992. Yesterday the Minister Responsible for the Status of Women told us that there were policies and programs in place that could ensure women are able to serve free of harassment.

My question, therefore, is for the Prime Minister. Why are these famous policies not working?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I would like to read to the House the order of the Canadian forces harassment policy. I am happy to table it. It indicates very clearly that the subject of harassment was recently discussed at Armed Forces Council.

"Members of Council reaffirmed that harassment in any form, personal, sexual or abuse of power is unacceptable conduct and will not be condoned in the Canadian forces in any way at any rank level". I am very happy to table this.

I think it is very important to underline two things. First of all, we have begun a review in the Canadian Armed Forces as to the actual policy of dealing with sexual harassment. We are dealing with the complaints process, systemic problems, problems in reporting and investigating and responding to allegations of harassment. That report will be in my hands in April and I will be very happy to make it available to the House of Commons as soon as I have it.

In addition, we have been doing a survey of 5,600 members of the Canadian Armed Forces because questions have been raised about the ease with which members of the forces feel they can raise questions of sexual harassment. We have been doing this confidential survey of 5,600 members of the forces to see whether we are getting the appropriate level of reporting because the numbers that I have seen, in my view, are low. My guess is that the reality is higher than that.

That report will be available in April and I will be pleased to make it available to the House of Commons. We are doing everything possible to ensure that we know the reality of what is happening and to ensure that the policy of the Canadian forces, which is zero tolerance for sexual harassment, is applied in the forces.

Ms. Mary Clancy (Halifax): If only zero tolerance was the case, Mr. Speaker.

Yesterday the Prime Minister said that the minister of defence was working on this plan. Today the minister has told us of this plan. Policies are in place in many departments, including DND. The Minister Responsible for the Status of Women told us so yesterday. Policies are in place in departments of government. What is not in place is enforcement.

Consequently my question is for the Prime Minister who spoke very eloquently on this subject yesterday. I say to him today, will he direct all his ministers to enforce the policies that are in place and deal seriously with sexual harassment now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not have to direct my ministers in that regard because they all feel very strongly and have already acted upon the notion that there should be zero tolerance of sexual harassment at any time and in any circumstances.

My hon. friend quite properly points out that notwithstanding this rule and its vigorous enforcement, it is not always successful. We will be exerting further vigilance and further effectiveness to ensure, not only throughout the Public Service but in Canada, we can arrive at the creation of a climate wherein it is accepted by all citizens that sexual harassment of any kind is profoundly unacceptable and as a society we must rid ourselves of it.

* * *

VETERANS AFFAIRS

Mr. George Proud (Hillsborough): Mr. Speaker, my question is for the Minister of Veterans Affairs, a minister who is not devoting very much time to the concerns of veterans.

What I am asking about, what the veterans of Canada are asking about, is the massive increase in costs which have been forced on veterans who receive care in nursing homes and hospitals. Currently they are faced with a 29 per cent increase this April.

• (1440)

Will the minister look at this with the view of providing relief to these people on fixed incomes?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, first I want to say to the hon. member that I take my role as Minister of Veterans Affairs very seriously. One of the things I will not do, unlike the hon. member, is raise unwarranted fears among veterans or among the employees of the Department of Veterans Affairs about the level of staffing in the programs we provide.

I have just seen a press release issued by the hon. member suggesting that according to the estimates we are cutting back the Department of Veterans Affairs. He is accusing the department of budgeting $38 million for professional services which he suggests will be handed out to friends of the government. These are, in fact, medical services, to doctors and rehabilitation workers, the professionals being chosen by the veterans themselves.

In other words, the hon. member has quite wantonly sown seeds of disquiet, doubt and insecurity among the employees of this department in a way that I think is quite inexcusable.

With respect to the issue he raised, he knows well those changes were made some time ago in full consultation with veterans organizations. They are well understood and they bring the costs that are charged to veterans in line with the lowest level charged by provinces for similar services.

Mr. George Proud (Hillsborough): Mr. Speaker, regarding the other matters the minister has raised, I believe the truth is now coming home on the issues I raised previously.

My supplementary question for the minister is this: Will she dedicate her department to reducing the self-pay portions that veterans are now forced to pay and will she set a new course that will return fairness and generosity to the veterans of this country?

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the veterans of this country I think care as much or more than anyone about our ability to sustain the things we think are important to us as a society, and that includes our social services and other benefits.

Therefore, the veterans themselves and their associations have been very helpful and supportive in setting benchmarks for the kinds of charges that are levied on the services of the Department of Veterans Affairs and the level of support that is provided.

There is no abstract way of determining what is an appropriate level of charge. Therefore we have sought to find some kind of solid benchmark against which to measure the charges that we impose for our services. The benchmark we have chosen is the lowest fee for this service among the provinces in Canada, because the provinces have the main constitutional responsibility for providing services of this sort. Veterans in Canada will pay no more than the lowest fee charged by a provincial government for these services. That, Mr. Speaker, I think is eminently fair.

* * *

TRADE

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the Minister for International Trade.

In Washington in the past two days the U.S. trade representative's office said it was this government, the Canadian government, that seriously hampered environmental provisions in the NAFTA, such as section 104 regarding the Basel Convention on Hazardous Waste. We also heard over and over in Washington that the Canadian government has now abdicated any sort of position that might improve environmental co-operation with our trading partners.

Why is Canada dragging its heels on the environment? Why is the minister committing such gross negotiating blunders?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I do not know where the hon. member is getting her information. I can assure her that I went so far as calling my new *vis-à-vis* in the United States, Carol Browner, and inquiring about how her position was evolving at that time. That was not too long ago, just a few weeks ago. They were still defining—which is acceptable, we can understand that—the positions they would be bringing to the table.

The hon. member seems to be making a leap from that situation of fact to an assumption that our government on environmental issues has not been assuming its responsibilities, when it is quite the contrary, Mr. Speaker. If anything, this government of all the modern governments in the world's industrialized countries has been one that has offered leadership through all the major forums, including the G-7.

If the member does not believe that, maybe she would like to re-read the words of President Bill Clinton when he met with the Prime Minister of Canada.

• (1445)

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the U.S. trade representative's office in the person of Brian Samuels quoted that Canada is seriously hampering negotiations on the environmental provisions because Canada wants to protect its waste industry.

What are we doing here, creating jobs for hamburger flippers and waste management experts? Is that the Tory way?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, Canada and our government, I think it was in November, signed and ratified the Basel convention, which is an international convention. Furthermore, we have bilateral agreements with the United States on the issue of transboundary transportation of waste, both hazardous and non-hazardous. We are now looking at a system by which we will have a notification for even non-hazardous waste between both countries.

That is the type of work that has been done in this area over the last few years.

Obviously the hon. member wants to believe that some position or some point of view in the United States administration coming from I do not know where on some environmental issue is not favourable to Canada.

If that is her position, let me read to her specifically what President Clinton said at a press conference in the presence of the Prime Minister. He said: "And I may add that the Prime Minister's administration in Canada has had a strong record on the environment, something we want to try to beef up in a supplemental agreement".

We agree with that, Mr. Speaker.

* * *

POVERTY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, while the Conservative government is trying to alter the definition of poverty and the employment minister calls the jobless free-loaders, the number of hungry in Montreal has increased dramatically—300,000 being served food in the month of November.

The number of single parents seeking food is up by 71 per cent, children more than 180 per cent. This is cause for concern and cause for alarm. Hungry children cannot concentrate and hungry children cannot learn to read and write when their tummies are empty.

My question for the Prime Minister is why can the government not afford to help these needy people and avoid another generation moving into the poverty cycle?

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I think every member in this House will acknowledge that as long as there are children in this country who do not get a square meal, we cannot afford to be complacent.

We cannot but acknowledge that the situation exists and in fact, last year, this government invested $3 billion for the children of Canada and Quebec, which will be used to help needy families. We are also considering various programs with the Government of Quebec to help give children a better quality of life.

There is a fundamental aspect to this question. The present government is trying to develop and has, in fact, developed policies to help these people get decent jobs. At a time when we are going in that direction, I trust I can count on the hon. member's support so that we can tell Canadians that all concerned, including those of the government, must focus on providing decent jobs so that poor Canadians will be given a chance to support themselves. And I am sure they will succeed, Mr. Speaker.

[*English*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, that response is certainly not going to fill the empty stomachs of the people we have been referring to, hundreds of thousands of people in Montreal.

[*Translation*]

Mr. Speaker, Montreal is hungry. Mothers and children and young people in Montreal are so hungry that in November alone, more than 800,000 pounds of food, which is 20 tonnes a day, were distributed. This is Montreal, not Somalia. This is so distressing that I want to appeal directly to the Prime Minister and ask him what he is going to do to alleviate the misery at the foot of the very mountain where he will soon be living.

[*English*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I will certainly avoid giving a political answer to a political question.

• (1450)

I would again ask my colleague to try and understand the policies of all governments in this country, particularly this one which decided last year, even with all the pressures, to make $3 billion available to the children of Canada and to try and develop a good economy where people have work. That was exactly our purpose and the purpose of all governments. Canadians should be told that all efforts should be in that direction.

Oral Questions

CRIME PREVENTION

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is to the Minister of Justice and Attorney General.

Last week the government sponsored a three-day national symposium in Toronto on crime prevention and community safety. Over the course of the symposium I listened carefully to four different senior ministers, all of whom agreed that the root causes of criminal behaviour are poverty, illiteracy, unemployment and the lack of adequate housing.

If four cabinet ministers believe that these are the real causes of many crimes, what is the government doing about it and why is this government paying more attention to leadership conventions rather than crime prevention?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, I thank the hon. member for raising the fact that this symposium was a success. We gathered together everybody that is involved in crime prevention: police officers, provincial, municipal and federal governments. The justice committee, chaired by the hon. member from Mississauga West, which was very active the week before, was helpful.

At the end of the symposium we decided to have a national strategy on crime prevention. I do not know if the hon. member was present or not, but I announced that we would have 20 to 25 people in Toronto help me and my colleague, the Solicitor General, in order to have the major elements of the strategy by May. I think it was a tremendous success and we should follow the route we are taking.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I have a supplementary question for the same minister.

I would like to believe in what the minister is saying but I refer him to a letter that I sent to the former Attorney General and Minister of Justice, now Minister of National Defence, which appeals for federal resources to fight the rampant drug and sex trade on the streets of my Toronto riding.

This letter, a copy of which went to the Solicitor General, was signed by representatives of four levels of government, including myself. Almost three months later there is still no reply, not even the courtesy of an acknowledgement. When is this government going to cease deluding Canadians and address the crisis on our streets?

An hon. member: The people in his riding are fighting it personally.

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, as I mentioned at the symposium, Canadian taxpayers are already spending $8 billion. That money is already in the system. That is a lot of money.

Everybody recognizes that we have a lot of money in the system. The cost of crime involves an additional $6 billion. That means $500 for every Canadian in this country. I think there is a lot of money in the system.

We want to spend this money in a smarter way and the way to do that is to work together. This is the way this government is working and I am sure it will succeed.

* * *

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is to the Minister of Employment and Immigration. The immigration mail-in application system has been failing in Toronto for a year. The majority of mailed in applications are returned to sender for correction. MP's inquiries often go unanswered for more than a month and too often the answer when it comes is there has been no officer working on that file for these months.

Now the minister plans to extend that failed system to all of Canada by centralizing it at Vegreville; mailed in for the whole country.

• (1455)

Does the minister intend to force Canadians to go to expensive lawyers to get good service or to use MPs and underfunded local community organizations for free substitute help, or is he telling Canadians to give up hope of any decent service from the immigration department?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Not at all, Mr. Speaker.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, in the press release that the government provided indicating the closure of offices in places like Kamloops and Whitehorse, the minister's backgrounder says: "As a result of the lack of in-person interviews, fraud and misrepresentation will easily pass undetected". This was a major concern by this move to Vegreville.

My question to the minister is this. If he is already admitting that this move will increase the possibility of fraud in terms of an unfair immigration system and misrepresentation, why would he proceed with this? Why not go back to the drawing-board and say that these centres will remain open?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, if he did that obviously we would not do that.

* * *

POLICE SAFETY

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, my question is for the Minister of Justice.

At present the use of personal defence sprays are classified as prohibited weapons. However the use of these sprays can save lives and facilitate the work of the police. Instead of risking injury or loss of life, police should have these personal defence sprays such as pepper spray devices for their use.

The trauma to police officers as a result of using their firearms in the line of duty could be diminished by the use of these devices.

Can the Minister of Justice say if a decision will be made permitting the use of these devices by police forces, a decision that could save lives?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, I share the concerns of my hon. friend. He should know that we have pilot projects in different parts of the country where police forces are using that kind of a device.

I think we should be very cautious in the way we look at the use of those devices. My department along with others and at the provincial level as well that are responsible for the application of laws are closely following those pilot projects and will make a decision.

We really do not have to make a decision to amend legislation for that, but it will be looked at very closely. This is what we are doing.

* * *

CANADIAN FORCES BASES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of National Defence.

The minister will know that there are more Canadian Armed Forces bases in Canada than are necessary, far more than are necessary. I wonder if the minister could tell this House what she is doing to eliminate some of these bases and cut down the costs of these bases as an economy measure.

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the rationalization of defence infrastructure is one of the government's highest priorities, but it is something that has to be carried out with considerable care for two reasons. If we are to divest ourselves of infrastructure, we want to make sure that we are thinking long term in terms of the needs of our Canadian Armed Forces and also because decisions to decommission infrastructure across the country impact on communities.

The Minister of National Defence had commissioned a minister's advisory group on defence infrastructure to create a process for doing this. That process has been reviewed by the standing committee and we hope to put it into place soon to ensure that we will be able to deal with the question that the hon. member raises in a rational and fair way that is in the interest of Canadian communities and the Canadian Armed Forces.

* * *

ATLANTIC FISHERY

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the minister of fisheries who I think should throw his hat in the ring too.

For months the minister has promised assistance to Atlantic fishermen and fish plant workers across Atlantic Canada in communities that have been literally shut down by the quotas he announced last December. Yet, with the exception of the northern cod recovery program which is destined to a particular area in Newfoundland, the very programs that are in place to provide this assistance have been slashed in his government's recent spending estimates.

• (1500)

For example, the Atlantic Fisheries Adjustment Program has been cut by 45 per cent and the Plant Workers' Adjustment Program has been cut by 89 per cent. Why is the minister reneging on his commitment to Atlantic fishing communities?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): *Bonjour monsieur. Monsieur le président—*

Some hon. members: Hear, hear.

Mr. Crosbie: That suggestion had not come to my mind.

I might just deal with the hon. member's question. As a matter of fact, I have just written the hon. member pointing out to him that he had made very bad mistakes in similar statements he had made in Nova Scotia on what was being spent in these programs.

There are no such spending cuts. The Atlantic Fisheries Adjustment Program will be spending $584 million. The northern cod program will be spending something like $780 million to $800 million.

We are now looking carefully at the situation in the Atlantic provinces outside the northern cod area. This is to see whether anything further needs to be done to assist those fishermen and plant workers who will be affected by the cuts to the TACs this year.

There has been a huge increase in spending in fishery matters in the last two years. That will continue and has to continue.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I welcome the opportunity to ask the minister further questions about that in the committee studying the estimates.

When will the minister announce for the rest of Atlantic Canada a program comparable to his northern cod recovery program to assist those fishing communities elsewhere that are going through the worst resource crisis in their history? This crisis in large measure is due to his government's mismanagement of the fishery.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I hate to see excess of partisanship in the House.

The crisis in the fishery has a lot of causes that go back many years. The main cause is an extremely unusual environmental cause having to do with the temperature of the water.

In ending my answer, I might just quote from an editorial that I just came across. It says: "John Crosbie is a straight-talking, no-nonsense intelligent guy who refuses to buckle under to loud-mouthed pressure groups". So you can forget him right off the bat.

* * *

PRIVILEGE

LEGISLATIVE COMMITTEE ON BILL C-113—SPEAKER'S RULING

Mr. Speaker: My obligation is to bring a ruling to the House.

Yesterday, March 16, 1993, the hon. member for Timmins—Chapleau raised a second question of privilege, following my first ruling concerning the proceedings of the legislative committee on Bill C-113.

The basis of the member's point, as he stated it, is that the committee, or a majority of its members, had shown contempt for the Speaker in proceeding to study Bill C-113 clause by clause before hearing the ruling of the Chair on the hon. member's first point relating to the expunging of testimony.

I thank the hon. member for his defence of the Chair for which he has demonstrated a sincere regard. It is very clear, however, that decisions relating strictly to the proceedings of a committee, such as the choice of witnesses to be called and the scheduling of clause-by-clause study, are the committee's decisions to make.

It does not seem to me that in this case there is any reason the Speaker should intervene in the committee's proceedings.

I must therefore conclude that the hon. member's point is not a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL DEFENCE

TABLING OF CANADIAN FORCES HARASSMENT POLICY

Hon. Kim Campbell (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, if I may, I would like to table a document to which I made reference in the House during Question Period. That is the Canadian Forces harassment policy.

• (1505)

This is being tabled for members of the House under the appropriate Standing Order.

* * *

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 51 petitions.

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

* * *

[*English*]

BILL C-113

REPORT OF LEGISLATIVE COMMITTEE

Mr. Doug Fee (Red Deer): Madam Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-113, an act to provide for government expenditure restraint, without amendment.

While I have the floor, I would like to take this opportunity on behalf of the committee to commend the committee staff for the competent and professional manner in which they handled their duties, especially our counsel, Djénane Boulad, and our researchers, Eric Adams and Kevin Kerr, who actually worked in shifts to provide us with timely information. We had outstanding assistance from our clerk, Robert Normand. All of the staff worked long days and provided excellent support. Their efforts were appreciated by all members of the committee.

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

* * *

CANADIAN CHARTER OF RESPONSIBILITIES ACT

MEASURE TO ENACT

Hon. Alan Redway (Don Valley East) moved for leave to introduce Bill C-415, an act to establish a Canadian charter of responsibilities.

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Redway: Madam Speaker, as you have indicated, the purpose of this bill is to establish a Canadian charter of responsibilities which would be a companion to the Canadian Charter of Rights and Freedoms.

The vast majority of Canadians strongly support the principles set out in the Canadian Charter of Rights and Freedoms. However, there are a great many Canadians at the same time who also believe that we have laid too much stress on our individual rights and not enough on our responsibilities to one another. This bill represents a first attempt at what I hope will become a great national effort to define and to establish a legal and constitutional basis for those responsibilities which bind Canadians together. They make us one nation rather than only a collection of individuals and diverse and regional interests.

Madam Deputy Speaker: Mr. Redway moves that the bill be now read the first time and be printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*Translation*]

INCOME TAX ACT

MEASURE TO AMEND

Mr. Mac Harb (Ottawa Centre) moved for leave to introduce Bill C-416, an act to amend the Income Tax Act (tax credit for mental or physical impairment).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Harb: Madam Speaker, this bill provides that a taxpayer with a physical or mental impairment that prevents the individual from doing household tasks in the home is entitled to a tax credit, under section 118.2 of the Income Tax Act, for part of the amount paid to another person in return for carrying out these household tasks. The new tax credit will apply to the elderly if they can prove, on the basis of a medical certificate, that they are unable to carry out household tasks.

Irrespective of the amounts paid to another person for doing these household tasks, the taxpayer will also be entitled to a tax credit for mental or physical impairment under section 118.3 of the act.

Madam Deputy Speaker: Mr. Harb moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

• (1510)

[*English*]

NORTH AMERICAN FREE TRADE AGREEMENT

SPECIAL COMMITTEE ON BILL C-115

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, there have been some discussions. The government is anxious to provide Canadians the opportunity for a thorough examination of the NAFTA implementation bill. Therefore the government has proposed that a special committee be struck with all powers of a standing committee to pre-study the bill.

Accordingly, there have been discussions among the parties and I would like to seek the consent of the House to put the following motion:

That a special committee of the House of Commons be appointed to consider and report upon the subject matter of Bill C-115, an act to implement the North American free trade agreement;

That the Standing Committee on House Management appoint the membership of the special committee and present its report which shall be deemed concurred in upon presentation to the House of Commons no later than five sitting days after the adoption of the motion;

That the special committee be composed of eight members;

That the changes in membership of the said special committee be effective immediately after notification signed by the member acting as the chief Whip of any recognized party has been filed with the clerk of the committee;

That the committee have all the powers of a standing committee of the House of Commons, pursuant to Standing Orders 108(1), 120 and 121;

That the committee have the power to adjourn from place to place in Canada, along with the necessary staff;

That the committee have the power to engage one expert staff person to be attached to each recognized party represented on the committee;

That the order for the second reading of Bill C-115 be amended to refer the said bill to the special committee for the committee stage consideration of Bill C-115;

That the special committee's report on Bill C-115 to the House shall be the committee's final report.

Madam Deputy Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House to present the motion?

Mr. Nelson A. Riis (Kamloops): Madam Speaker, because of the importance of this request, in the proper precedence, I would defer to my hon. colleagues in the Official Opposition to indicate their position on this first.

Some hon. members: Agreed.

Mr. Riis: Then, Madam Speaker, the Official Opposition having agreed to it, I must say that listening carefully to the words of my hon. friend and recognizing that the document that we have to consider is obviously going to take some time, as a matter of fact it is going to require a good deal of travel and consultation with Canadians. For that reason, I think there has to be more negotiation. This is to ensure that the government is serious that Canadians will have a real opportunity to respond to the size of this document.

Therefore, at the moment, I have to say no. That is because I have no assurance that Canadians will have meaningful input into this process.

Mr. Rod Murphy (Churchill): Just to further explain, Madam Speaker, the letter we received—

Some hon. members: Oh, oh.

Madam Deputy Speaker: I just asked the House if the hon. parliamentary secretary had unanimous consent to present the motion. Obviously, there is no consent. So we do not have to go on with debate on this subject. Are there other motions?

* * *

[*Translation*]

FORESTRY AND FISHERIES

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I have two motions. First I move:

That the chairman and a staff member of the Standing Committee on Forestry and Fisheries be authorized to travel to Quebec on March 23 and 24, 1993, to attend a conference on the Federal Program for Quebec Fisheries Development.

Motion agreed to.

* * *

[*English*]

INDUSTRY, SCIENCE AND TECHNOLOGY

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons) moved:

That five members and two staff persons of the Standing Committee on Industry, Science and Technology be authorized to travel to Vancouver and Calgary from March 21 to 23, 1993 in relation to the study of the networks of Centres of Excellence.

Motion agreed to.

* * *

• (1515)

PETITIONS

VIOLENCE

Mr. George S. Rideout (Moncton): Madam Speaker, I have two petitions to present pursuant to Standing Order 36, both on the same topic. The petitioners request that the Criminal Code of Canada be amended to prevent the sale and distribution of serial killer board games and killer cards.

CHINESE CANADIANS

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, I have a long petition which I will try to summarize from many Canadians of Chinese origin. It is concerned with our very racist history, which must be redressed.

In 1885 Canadians who were of Chinese origin had to pay a unique racist head tax. That was followed in 1923 by the Chinese Exclusion Act. This kept families separated for years, and to this day families have suffered from this action.

The many petitioners say that there must be action by this government because it is long overdue. They call for an all-party parliamentary resolution to acknowledge this injustice which is in our history, to recognize the suffering that individual Chinese Canadians and their families have undergone, to have a letter of acknowledgement that would go out to people who have these certificates, many of them are very elderly now, and to provide symbolic financial redress.

They want symbolic financial redress in the form of $10,000 per head tax certificate and community financial redress. They also want plaques of elderly pioneers who built this country to go to organizations.

That is their request of this Parliament.

OLD AGE SECURITY

Mr. Mac Harb (Ottawa Centre): Madam Speaker, this petition is signed by many seniors in my riding of Ottawa Centre. They are calling on this House to urge the government to ensure that the Old Age Security pensions are sufficient to meet the basic needs of Canadian seniors.

The petitioners indicate that over 80 per cent of single women over the age of 65 actually live below the poverty line, and they also point out that last year's budget only allowed them an increase of 37 cents.

These seniors are calling on this House to take the necessary action to urge the government to deal with this question as soon as possible.

HEALTH CARE

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, these petitioners believe that the medicare system is threatened. They ask government and all political parties to preserve our system of health. They want reform of health care. They want a commitment on the part of governments and all political parties to a comprehensive health care system and a renewed commitment to the Canada Health Act.

The petitioners would like the withdrawal of Bill C-91, which gives brand-name drugs a 20-year market monopoly, and they want provisions for the production of low-priced generic substitutions of brand-name pharmaceuticals.

Finally, the petitioners want a reaffirmation of the major federal responsibility for health protection and promotion, disease prevention, and medical research, for a national health care system for all Canadians, a universal system.

EXTERNAL AFFAIRS

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, I have a number of petitions to present this afternoon.

The first petition points out that two Canadians, Christine Lamont and David Spencer, who have seen sentenced to 28 years each in a Brazilian prison have suffered miscarriages of justice, cruel and unusual treatment in Brazilian prisons, and discrimination in sentencing and parole.

The petitioners note that the cumulative effect of these irregularities provides ample ground for the Government of Canada to seek a remedy on their behalf. The only effective remedy is expulsion in accordance with Brazilian law. Therefore they call upon Parliament to urge the Secretary of State for External Affairs to request the Government of Brazil to expel Christine Lamont and David Spencer and return them to Canada.

YUGOSLAVIA

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, I have another set of petitions which are signed by hundreds of residents of British Columbia, including residents of my own constituency of Burnaby—Kingsway. In the petitioners' view the embargo against Yugoslavia (Serbia and Montenegro) regarding information and humanitarian aid should be lifted. They point out that the United Nations Security Council resolution 757 does not include mail, personal parcels, newspapers, or, in particular, humanitarian aid.

The petitioners suggest that the embargo denies Canadian residents the ability to provide humanitarian aid and financial support to dependents and others in need and they raise concerns about the prohibiting of mail and the denial of access to information through newspapers.

Therefore the petitioners urge Parliament to amend the embargo against Yugoslavia, which discriminates against all residents of Canada of Yugoslavian origin, as soon as possible.

• (1520)

SERIAL KILLER BOARD GAME

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, I have a petition which has been signed by a number of residents of my constituency of Burnaby—Kingsway. It notes that many studies have shown a link between violence in entertainment and desensitization to violence in our society. Part of this culture of violence is the Serial Killer board game, a game which comes with a bag of 25 babies. The point is to murder as many defenceless children and adults as possible.

The laws of Canada do not deal with materials portraying torture, rape and murder as fun, including the Serial Killer board game. Therefore, the petitioners request Parliament consider amending the Criminal Code of Canada so that violent and degrading material such as the Serial Killer board game can be kept from being distributed in Canada.

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Finally, Madam Speaker, I have the honour of presenting a petition which is signed by hundreds of residents, not only of British Columbia but other provinces as well and a number of residents of my own constituency of Burnaby—Kingsway, on the subject of the Chinese head tax.

The petitioners note that Chinese immigrants to Canada had to pay a head tax in the late 1800s and early 1900s. This had a profoundly negative impact on Canadians of Chinese ancestry. It is important we acknowledge this injustice and reaffirm the principles of justice and equality.

The petitioners call upon Parliament to take a number of steps, including redress, plaques and pledges to ensure that this will never happen again and that the Constitution be amended to ensure that it never happens again.

WATER DIVERSION

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is my pleasure to present two petitions.

The first is from petitioners of central British Columbia and northern Alberta. They point out their opposition to the plan to divert part of the North Thompson River in order to sell the diverted water to the southern California area. They ask the federal government to take whatever steps necessary to ensure that water is considered exempt from NAFTA.

BILL C-268

Mr. Nelson A. Riis (Kamloops): Madam Speaker, on another matter, the petitioners from a number of Indian reserves in Ontario ask that Parliament enact Bill C-268 which is an act respecting a national solidarity day for the aboriginal people of Canada.

SERIAL KILLER BOARD GAME

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, it is my privilege to rise on behalf of a number of constituents in the municipality of Kaleden, including, Madam Speaker, for your interest, the former member of Okanagan—Similkameen, Mr. Fred King.

These people are upset about the increasing amount of violence shown on television and as part of our ordinary lives. They are particularly upset about the violence depicted in the Serial Killer board game.

The petitioners ask that Parliament consider amending the Criminal Code of Canada so that violent and degrading material such as the Serial Killer board game can be kept from being distributed in Canada.

Mr. Sid Parker (Kootenay East): Madam Speaker, pursuant to Standing Order 36, the petition I am presenting is certified as correct.

"We, the undersigned residents of Canada draw to the attention of the House the following: That many studies have shown a link between violence in entertainment and desensitization to violence in our society and that the laws of Canada do not deal with materials pertaining to torture, rape and murder as fun, including serial killer board games."

Therefore my petitioners from Boswell, Creston, Kootenay Bay and Gray Creek in the riding of Kootenay East call on Parliament to consider amending the Criminal Code of Canada so that violence and degrading materials such serial killer board games can be kept from being distributed in Canada.

TAXATION

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a petition from several hundred teachers across the province of British Columbia, including Kamloops, Prince George, Terrace, Nanaimo, Courtenay and many other communities.

The petitioners note that the Income Tax Act allows self-employed professionals and business people deductions for operating expenses and improving their offices and businesses, but unfairly refuses to allow teachers deductions for the expenses which they incur to better their teaching abilities and to provide materials for their students.

Therefore, the petitioners call upon Parliament to request that the Minister of Finance and the Minister of National Revenue take action to amend the present Income Tax Act to allow teachers in the educational institutions in Canada deductions for professional expenses made in the course of their employment.

• (1525)

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Ross Harvey (Edmonton East): Madam Speaker, I have the honour to present today a petition signed by a number of citizens of Alberta, including people in Boyle, Edmonton, Calgary, Lac La Biche, Onoway, Stony Plain, Waskatenau and elsewhere, all of whom have the following points in common.

The petitioners are of the opinion that the proposed North American free trade agreement has resulted in even greater trade concessions being demanded of Canada, that it will cause Canadians to lose more good jobs, that it cannot be remedied through renegotiation. As the Constitution requires a general federal election before January 1 of next year, the date on which the North American free trade agreement comes into effect, they call upon the House to reject the proposed NAFTA and to recommend to the government that it use the termination clause to end the U.S.-Canada Free Trade Agreement.

I would just note in concluding that this bears directly on the debate we will be having this afternoon.

Mr. Neil Young (Beaches—Woodbine): Madam Speaker, I too have the privilege of presenting a petition signed by many people in Toronto, including my own constituency, who state that the proposed North American free trade agreement has resulted in even greater trade concessions being demanded of Canada and that this agreement will cause Canadians to lose more jobs. Also Canada's Constitution requires a general federal election before January 1, 1994, the date on which the

North American free trade agreement is scheduled to come into force.

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

* * *

BUSINESS OF THE HOUSE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I would like to designate tomorrow, March 18, an allotted day.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, Question No. 413 will be answered today.

[*Text*]

Question No. 413—**Mr. Caccia:**

Is the National Transportation Agency monitoring air quality in cabins of aeroplanes so as to protect the health of the flying public and if so, what are acceptable standards for breathable (a) suspended particles (b) nicotine (c) carbon monoxide (d) carbon dioxide (e) humidity and are they presently being enforced?

Hon. Jean Corbeil (Minister of Transport): The National Transportation Agency does not have a mandate to monitor air quality in aeroplanes.

Air quality in aircraft cabins is regulated by Transport Canada both through aircraft airworthiness certification under the Aeronautics Act and pursuant to the Aviation Occupational Safety and Health (OSH) Regulations made under the Canada Labour Code, Part II.

Airworthiness standards define maximum cabin concentrations for carbon monoxide (50 ppm) and carbon dioxide (3 per cent by volume, sea volume equivalent). These standards are enforced through the aircraft certification process. No limitations are defined for suspended particles, nicotine or humidity.

Aviation OSH limitations are dependent on the frequency and duration of exposure to particular chemical agents. OSH limitations exist for carbon monoxide (50–400 ppm), carbon dioxide (5,000–30,000 ppm), nicotine (.5 mg per cubic metre), although this involves cutaneous absorption as well as respiratory absorption, and respirable nuisance particulates (5 mg per cubic metre). No limitations are defined for humidity.

Compliance with the cabin air quality standards set out in the Aviation OSH Regulations is achieved primarily through the complaint and resolution procedures prescribed under the Canada Labour Code, Part II, involving company safety and health committees. Transport Canada becomes involved in such issues only when these procedures do not result in resolution of the issue.

[*Translation*]

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

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

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Deputy Speaker: Shall all notices of motions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN PETROLEUM RESOURCES ACT

MEASURE TO AMEND

Hon. Bill McKnight (Minister of Energy, Mines and Resources) moved that Bill C-106, an act to amend certain petroleum-related acts in respect of Canadian ownership requirements and to confirm the validity of a certain regulation, be read the second time and referred to a legislative committee in the Natural Resources envelope.

He said: Madam Speaker, I look forward to entering the debate on second reading of Bill C-106, the Canadian ownership requirements repeal bill.

At the outset, I express my appreciation to the critics from both the Official Opposition and the New Democratic Party for limiting our time and proceeding with this bill into legislative committee as quickly as possible. It is very much appreciated.

This bill is very much in the line of the government's agenda for strengthening the Canadian economy and the petroleum industry. Bill C-106 is being introduced at a time when international competition has never been greater, both in the petroleum sector and other sectors of the economy. I would like to take a few moments to review the policy context within which this decision was made.

Canada's economic security and future prosperity depend on the willingness to face up to economic realities. Since 1984 the agenda of this government has been to empower participants in the Canadian economy to employ the skills and initiatives that they have to allow them to build a more competitive Canada. The nations around the globe have been encouraged to adjust and adapt to an increasingly competitive environment.

• (1530)

As we look at this important sector and recognize that the energy policy is just one element of the government's economic policy, it does reflect the confidence of the market. It is consistent with this philosophy. The main thrust of the energy policy since 1984 has been to deregulate, eliminate interventionist programs, privatize Crown corporations in the energy business and to improve access for Canadian energy products world-wide.

At the beginning of our first mandate we made a commitment to Canadians concerning future oil and gas policies. These commitments materialized in a new policy framework based on market forces and not government intervention. Just to recall, in 1985 we signed the western accord. That involved the deregulation of oil prices and the elimination of oil export charges. Federal energy taxes such as the PGRT were removed at that time.

In the same year, the government introduced the deregulation of natural gas markets which has led to a threefold increase in exports of natural gas. Later in 1985, the government announced its frontier energy policy that set out the framework for the industry to operate on frontier lands.

The government also addressed the issue of jurisdiction over offshore oil and gas resources which led to the signing of the joint management accords with Nova Scotia and Newfoundland.

As we negotiated free trade agreements with the United States in 1988, the Canada-U.S. Free Trade Agreement, and with the United States and Mexico in 1992, we continue to commit to the breakdown of barriers both within Canada and external barriers with our trading partners so that we can have the prosperity and the ability to build upon a global market which we depend upon for our prosperity.

Last year the government announced the changes to the treatment of foreign investment in the petroleum industry which has led to the drafting of Bill C-106. Taken together with the measures announced in March, these constitute a very reasoned and sound response to a changing industry.

Canadians need a strong and resilient oil and gas industry if we are going to develop our domestic energy resources. The industry provides Canadians with the opportunities for high-quality job opportunity employment. It also produces Canada's most advanced and successful technological advances.

In the development of our own frontier resources we will permit those benefits that this industry provides in regions of Canada to be spread more equitably across Canada.

I am very sure that colleagues in the House will agree that we must develop our frontier oil and gas resources. If one looks at the frontier on Hibernia, it does require enormous investments.

We need to attract additional investment dollars and sources of capital so we can foster exploration and development so that we are able to secure our energy future in Canada and to ensure the health of the petroleum industry and the economy of our country to make Canada more competitive and to maintain the prosperity that Canadians enjoy.

The removal of the Canadian ownership requirement is an important step toward achieving these goals.

The National Energy Program was interventionist and it impeded the growth of the industry. We have changed that. Bill C-106 reflects the government's willingness to adjust to changing positions. As we look at international oil markets which have become more competitive, the market for oil and gas investment has also become much more competitive.

We introduced market forces into energy policy for the most effective and efficient development of our resources. As we go forward to repeal the Canadian requirements for ownership we will be removing a self-imposed restriction on the ability of private investors to take risks and uncertainty associated with the development of Canada's most challenging petroleum resource projects.

There is intense international competition for investment financing whether it happens to be in the petroleum industry or other industries that are requiring large injections of capital and that self-imposed restriction that we have in Canada is unacceptable and costs Canada. The members of the Canadian industry who are involved in bringing these projects forward have reinforced this message.

• (1535)

As we look at the change in economic environment and in the way that capital resources now can be moved around anywhere in the world seeking the best return on investment, it means that there is no differential between the ability to invest in oil and gas projects as compared with any other projects. Until the announcement in March 1992, there was that barrier.

If we had continued the Canadian ownership requirement we would have frustrated willing investors who would wish to participate in Canada's frontier petroleum projects. We recognize that one cannot isolate Canada. We cannot isolate ourselves from the operation of open-capital markets and more importantly we recognize that it is not in the interest of Canadians to do so.

When we look at the development of large-scale oil and gas projects, we will look for those people who are prepared to invest and prepared to take the risk and not at the country of origin of those investors. Investors will be able to be attracted to projects in Canada as they are in other areas of the world. They will be able to make their own judgment. They will be able to accept the risk or reject the risk without the government imposing restrictions which disqualify certain investors who would otherwise be willing to participate. We will be able to improve the investment environment in the frontier areas in particular.

Canada cannot afford to have obstacles in the way of ventures which require a large injection of capital. We believe that there is enough difficulty in attracting investors because of the risk that is inherent without having an arbitrary level of Canadian investment in these high-risk projects which would result in the underdevelopment of these resources for Canadians.

I want to point something out before I take my place. From the statements that were made during the presentation of petitions, my colleague the energy critic from the New Democratic Party attempted to suggest that this bill would have something to do with NAFTA.

I call his attention to this. The announcement of the government's policy was made in March 1992. He would know when we made that announcement that if we were negotiating an agreement we could not prejudge what Parliament would do. At the same time, why would anyone want to discourage the development of Canadian resources by putting a requirement that penalizes Canada while allowing the United States and Mexico to proceed with their energy projects?

Who would benefit from that? Surely the people in Mexico and the United States would benefit if Canada was not able to proceed with their energy projects. It would penalize the people of Canada.

We made the announcement in March 1992 that we would be making these changes. They are not inconsistent with this government's policies since 1984. I believe that it is the right policy and it will allow for an important resource to be developed in Canada by those investors who wish to take the risk and wish to invest. It would not be not dependent upon the country of origin which then would penalize Canada. We cannot afford that as a nation.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, on Bill C-106, which deals with Canadian ownership of certain petroleum assets—

Madam Deputy Speaker: On a point of order, the hon. member for Edmonton East.

Mr. Harvey (Edmonton East): Forgive me, if it was stated then I missed it. Is the hon. member for Edmonton Southeast rising on question and comment or on debate?

Madam Deputy Speaker: The hon. member is rising on debate. The hon. member for Edmonton East should know that when we start second reading of a bill, unless there is unanimous consent and members do ask for questions or comments, the first two speakers are allowed up to 40 minutes and that period is not followed by a period of questions or comments.

We are resuming debate. The hon. member for Edmonton Southeast.

• (1540)

Mr. Kilgour: Madam Speaker, since the 1950s and earlier controversy has surrounded the issue of non-Canadian ownership of our economy. While political and economic realities have dramatically changed around the world since, the issue of foreign investment and ownership of Canadian assets still vexes many thoughtful Canadians.

Almost weekly more of Canada's economy is being opened up to foreign investors, mostly but not always from our neighbour to the south. Miller Brewing in the U.S. is buying 20 per cent of Molson Breweries. AT&T is acquiring 20 per cent of Canada's new long distance phone company, Unitel. American Airlines is seeking 33 per cent of Canadian International Airlines. Three American companies, Mobil, Chevron and Murphy, will end up owning two-thirds of the giant Hibernia oil field.

Increasingly the development of the Alberta oil sands, which constitute a veritable Saudi Arabia within Canada in terms of oil reserves potential, is being done by investors from the U.S. and more recently from Japan.

Since the establishment of Investment Canada in 1985 there has not been a single turn-down, not one. It has approved the foreign takeover of 739 Canadian-controlled companies worth an estimated $69.5 billion. Another 2,882 Canadian companies, worth about $7.4 billion, were also sold to foreign investors during the period but were considered too small to require Investment Canada review.

Many economists look favourably on foreign investment because they think it results in increased economic activity and jobs within the host country. They say that foreign investment spurs more competition in the host country, results in the introduction of newer technologies and new trade opportunities in other international markets, because trade and investment are now so closely linked around this increasingly shrunken planet.

Many Canadian owners do not want to sell their enterprises to non-Canadians. However for many, after a fruitless search for capital or bank credit in Canada, and some of our major financial institutions are doing a very poor job in helping small and medium-sized businesses which until 1990 were creating most of the new jobs across Canada, the sale to a foreign corporation often becomes the only or best way to survive. For instance, Connaught BioScience, Canada's leading vaccine company, and Lumonics, our leading laser company, were both sold abroad after spending one year or so looking for Canadian funding.

After Gulf Canada walked away from its 25 per cent stake in the Hibernia project that project became another example of how futile the search for home-grown money often is. It was obvious that Ottawa's finances, with a federal debt-GDP ratio looking over an abyss, could simply not afford the cost. The only option, if the project was to survive, was to look for a foreign partner with clout.

According to a 1992 study, in B.C. foreign-owned companies operating in that province had invested almost $2 billion and employed more than 14,000 British Columbians. One hundred and eleven of the companies with operations in other provinces employed a total of 42,419 people nation-wide. Canada has very high unemployment. Only Spain has a worse unemployment rate than we do among the 13 nations that the *Economist* magazine tracks weekly in its statistics.

This level of activity is a boon to our economy, because unless an economy first creates wealth there can be no compassionate social problems maintained or enhanced over the longer term. It would appear that foreign ownership has become less of an issue, except for our friends on the far left, the New Democratic Party and the National Party which it has spawned from the city that the critic from the NDP and I come from, Edmonton. Foreign ownership has become less of an issue in era of economic globalization and freer and freer capital flow among most countries.

For example, direct foreign investment by residents of the G-7 nations has increased eightfold since 1967 alone. In contrast to the 1970s, a good deal of the popular opposition to foreign ownership of energy assets appears to have melted away in Canada and in many other nations, from the former Soviet Union to Venezuela. With multinational oil companies being wooed around the world for their capital, technology and management skills, there is a real fear that Canadians might be left behind.

• (1545)

In September 1984 the then new Prime Minister of this country declared: "You have been talking about economic nationalism. I am speaking of 1.5 million unemployed"—by the way it is almost exactly about the same number we have today—"who are not concerned with where investment comes from. They are concerned with attracting investment to Canada so that they can have jobs". It is thus a puzzle why our Department of Energy, Mines and Resources needed more than eight years to figure out what the then Prime Minister was talking about.

When one scans this government's mostly destructive economic policies since 1984 it is clear that politics, and not jobs, was all that mattered. Energy politics, next to the constitutional struggle, has been the most prominent feature of federal-provincial conflict and collaboration since about 1973.

Creating an open market for Canadian energy assets as late as 1992 was a reversal by the former energy minister, a western Canadian, who for years ignored energy industry pleas for looser foreign investment rules, fretting about a nationalist backlash.

Even those who agree with the Tories' now mostly discredited trickle-down economics must question the timing of this policy change. It is a scarcely concealed pitch to voters who have defected to the Reform Party, which scorns nationalists and promises looser oil take-over rules.

Recently some desperate Ottawa Tories attempted to counter Alberta's oil patch flirtation with the Reform Party by moving the National Energy Board headquarters to Calgary; quite properly because it should have been there in the first place. They have also gone forward with a partial privatization of Petro-Canada, which author Peter Foster says has devoured about $10 billion of federal taxpayer money since the 1970s.

The ultimate irony is that few people seem greatly interested in investing in energy firms these days. Why would any intelligent foreigner invest in an energy economy which has seen such an incompetent federal government? Is there a more incompetent economic policy anywhere in the advanced industrialized world?

Mr. Wilson (Etobicoke Centre): Yes, back in the early 1980s with the National Energy Board. Remember where you came from if you can.

Mr. Kilgour: We are now living in the 1990s. Perhaps the minister should remember what decade we are now in. This is a government that knows so little about basic economics. Is there a government that knows less about creating jobs and keeping them? Such questions suggest that there is much opportunism in the proposed policy change.

I am glad the former finance minister is here since much of this is his fault. In our country the yearly budget deficit for all levels of government for 1992 was 8.5 per cent of our Gross Domestic Product. The accumulated all-government debt, approximately $650 billion, was 90 per cent of our GDP. Our net foreign debt, approximately $300 billion, was 44 per cent of our GDP. Does anyone in this House disagree? Do we really think as members of Parliament that the IMF is very far from Canada's financial door?

Does anyone think that our country is going to avoid the New Zealand wringer if we continue to spend and borrow, an addiction of the present government and in fairness some early Liberal ones as well?

I ask the Minister of Finance how any MP, or MLA for that matter, can look any young Canadian in the eye today? Canadian politicians have the responsibility to avoid putting the standard of living of our children and grandchildren at risk. If they knew what our collective profligacy had done to their futures then I think they would want to run us out of every capital city across the land.

Premier Wells made this point very well the other day. He pointed out that in 1975 each Canadian family's share of the national mortgage was about $50,000. Today, after nine years of the Tories, it is about $665,000 per family.

I am proud of my leader for saying no to the purchase of 50 submarine-chasing helicopters, the price of which has already jumped from $4.4 billion to $5.8 billion. Why would any company foreign or domestic—

• (1550)

Mr. Wilson (Etobicoke Centre): Why did he call it $8 billion yesterday?

Mr. Kilgour: I do not mind, Madam Speaker, if you want to let the minister heckle. It does not bother me. I assure you that I am used to being heckled in court by people with a lot more intelligence than the minister.

Madam Deputy Speaker: When there is that type of exchange in the House, the Speaker normally will intervene only if the conversation seems to be a problem for the person who has the floor.

The hon. member first tells me that it does not bother him and then starts to throw insults across the floor. I think it might be easier to get on with discussing this bill. It is a very serious bill. I will give the floor back to the hon. member for Edmonton Southeast.

Mr. Kilgour: Why would any company, foreign or domestic, invest now in our energy sector which suffers from a high Canadian dollar, high real interest rates until very recently, high operating costs and high taxes in a period of low profitability? Why would anyone invest in an industry with an average rate of return of 5 per cent when the "rate of return means the same thing in every language to every investor".

Across western Canada, upstream oil and gas industry employment is most regrettably down by about 35,000 jobs since 1985. Even if an optimistic forecast of gradual price recoveries comes true, sector employment is still expected to shrink by about 11,700 jobs, 18 per cent, to leave this key Canadian industry, one based in western Canada, with only 51,900 jobs by 1995.

There was widespread consensus among oil and gas experts that 1993 would be almost as tough for the industry as 1992. Predictions about the near future of the sector do not vary widely now either.

Except for gas, the industry could remain unhealthy through the mid-1990s. More losses and lay-offs will occur, the petroleum reserve will keep depleting and operating costs will continue to escalate unless things change in Ottawa.

There is probably about $55 billion currently invested in Canada's energy sector. Over all, the industry did not make a profit last year. To be sure some younger companies did make a profit.

Quite understandably, oil people have been lobbying governments for a new fiscal regime to increase their cash flow and prevent the departure of activity to other resource-rich countries with less onerous tax and regulatory regimes.

Our companies cannot do much more to rationalize themselves. Most of them have already taken Draconian steps to reduce costs including downsizing and shut-downs. Returning the sector to financial health over all is not happening.

Many companies are still short of up-front cash for drilling and exploration and the important service sector, at least until very recently, remains in severe disarray.

The recent changes to the Alberta royalty structure was music to the ears of a battered industry. Provincial politicians had finally managed to stop squeezing the geese that laid Alberta's golden eggs with a new policy that seemed to satisfy the industry.

Virtually everybody in the industry said that a royalty system designed in the booming 1970s in anticipation of high oil and gas prices was no longer realistic in today's world of higher production costs and lower commodity prices. Yet it took more than five years for the industry to persuade Alberta politicians that a revision of the existing royalty regime was critical to Alberta's economic well-being.

A more profitable energy sector could lead to larger government revenues as the industry already accounts directly for 25 per cent of the Alberta government's revenue. Considering that the Edmonton government's accumulated debt totals $14 billion and is now growing at $13 billion a year, turning a blind eye to the plight of a vital petroleum industry amounts to extreme political myopia.

Suffice it to say that the average annual royalty revenue from 1980 to 1986 was $4.4 billion in Alberta. For the current year it will probably reach only about $2 billion.

Although the new royalty system represents the most profound change the industry has seen in two decades, words of caution are needed. The 1991 royalty holiday for new oil wells intended to revive sluggish drilling activity was a well-recognized failure, unfortunately.

Since the program was announced, drilling activities continue to decline. One industry insider put it aptly: "If you don't have hard cash you can't drill wells, royalty holiday or no royalty holiday".

Only 132 out of an available 432 rigs were working in the winter of 1991. Canada's largest oil and gas company, Esso Resources Canada, drilled only 22 wells in the first nine months of last year.

• (1555)

Since the new provincial royalty measures were announced most industry analysts have applauded predicting that lower royalties will generate more activity and save jobs, royalty relief on new wells will particularly help exploration and the new system will encourage long-term stability in the sector.

According to the Canadian Association of Oilwell Drilling Contractors the new Alberta royalty regime will mean an average of 16 more rigs working than last year, creating 1,200 jobs on rig sites.

Some experts warn that the reformed royalty structure does not guarantee increased oil patch activity. There is no industry assurance that extra revenues will be invested in western Canada. Indeed it might result in the exploration for new reserves in more attractive geological locations.

The new royalty structure will reduce the Alberta government's take by almost $500 million over the next three years while there is no comprehensive data on the corresponding gains from increased activity.

Are the royalty reforms more than slightly attractive to major multinational oil and gas producers? Even if their returns on investment were healthy, many major companies seem reluctant to explore a sedimentary basin where they think mainly small oil pools remain.

Alberta's best known pools of conventional oil are almost two-thirds depleted and not enough people expect major new discoveries. My own province's conventional oil reserves shrank 8 per cent or 264 million barrels during 1991 alone.

The situation is further aggravated by our present wasteful practices. More than half the oil wells in Canada are abandoned before more than a small part, often as little as 10 per cent, of the oil in place is recovered. Without new initiatives, Canada will face the prospect of importing oil at an annual cost of $10 billion by the year 2004.

Oil sands development probably offers Canadians the best hope for a reasonable level of oil sufficiency over the longer term. The oil sands resources in Alberta alone, as I indicated before, are greater than the proven oil reserves in the entire Middle East. The total amount of oil trapped in the sand may be as much as 1.7 trillion barrels. That is a lot of oil. It is enough to supply Canada for 4,000 years or the U.S. and Canada until 2400. By that time of course our energy will probably come from sunlight or hydrogen.

In the meantime the sheer size of oil sands deposits is reason enough to encourage some shifts in our exploration focus to the heavy, non-conventional and frontier oil resources. More technological support is required to assist in developing and extracting the resources at minimum cost with the lowest possible environmental impact. The Athabasca oil sands continue to produce 16 per cent of Canada's oil and could produce far more.

Suncor and Syncrude, the two Canadian pioneers in the field, continue to increase production and to cut costs. We must only salute these companies. Both are in the process of becoming even more efficient and cost competitive thanks to a number of factors including new technologies. Their production costs per barrel are down to a very impressive $15 range.

Syncrude has already produced more than 600 million barrels of oil, which is more than the estimated recoverable oil in the Hibernia field. It has spent more than $4 billion in developing and expanding its two oil sands leases. The company is one of Alberta's biggest employers with 4,000 people on the payroll and about 1,200 contractors. It has already paid $1.3 billion in royalties to the Alberta government and millions of dollars in federal taxes. It has given its owners a positive cash flow for 12 out of its 14 years of existence.

Not surprisingly, the Mitsubishi Oil Company obtained a 5 per cent stake in Syncrude once it was allowed to. Speaking personally, I very much hope that more oil sands investments will be made by Japanese investors in the near future. Why should there not be investors from Taiwan, South Korea and other Pacific rim nations as well?

"If no major oil sands development is announced in the next five years we will have made a tragic error in this country", says Syncrude's current president Eric Newell. However, few oil companies these days have the finances to cover the enormous capital requirements. Suncor and Syncrude can make money because they have paid for their plants. The infrastructure has been there for years but it is still too expensive to get new players. This is a fact that was demonstrated when OSLO shelved its project.

Other projects like the Lloydminster upgrader, the Vancouver pipeline and most recently Hibernia, have been delayed because of the enormous capital burden on consortium partners.

• (1600)

It is my view that if access to foreign capital was made available, more of these frontier projects would be able to proceed creating desperately needed jobs in our north and our other frontier areas.

Some foreigners are interested in our oil sands. Last year a Chinese oil company, the China National Petroleum Corporation, became the first foreign investor in the oil sands research facility at Fort McMurray, Alberta. The Chinese will invest $6.5 million over the next two years in AOSTRA which operates an underground test facility. Another company, a Japanese-based oil firm, has also committed itself to invest several millions of dollars in AOSTRA.

Both initiatives have encouraged optimism that oil sands bitumen may be commercially recoverable with the cost of a barrel reduced to as little as $7.

One reason there is no immediate sign of further oil sands development is that private sector moves money into more tempting conventional foreign fields.

One would be amazed at the opportunities available to Canadian exploration companies in foreign countries. It should be emphasized that most of them have introduced dramatic changes in their foreign investment policy, something this government has been incapable of understanding since 1984.

There are a number of Alberta companies that are going to cash in on oil and gas reserves in Asiatic Russia which might outstrip even that of the Middle East. For the long-term the Russian federation has indicated it is considering the issue of large exploration concessions and possibly privatizing existing fields which would allow for direct foreign ownership of reserves.

Many Alberta companies are looking at southeast Asia, especially Malaysia, with its positive investment climate. Southeast Asian governments have expressed interest in Canadian skills and oil field technology, which are some of the best in the world.

Struggling Alberta oil companies are also being lured, for example, even to Pakistan with promises of big finds, healthy prices, low taxes and consumers ready to buy all they can produce. The rules and regulations regarding foreign investment were overhauled in 1991 in Pakistan which is looking for as much foreign commercial participation as possible.

In South America, Argentina gets everybody's attention as the top country in which to look for oil. It is perhaps the most stable political and economic system on that continent and has an excellent oil and gas infrastructure.

In addition, it is possible for a single company now to acquire exploration rights to vast areas in South America. Canadian Occidental or Canadian Occi as it is called and its parent, Occidental, have 100 per cent of a 197,600 hectare block in Ecuador. Nobody dreams of having access to that sort of acreage in western Canada.

However, all that glitters is not the material we use in rings. Although cheap exploration opportunities outside Canada are proving a bargain for petroleum companies, with dwindling budgets such ventures are very harmful for drilling and service firms left behind.

Our drilling industry in the west of Canada is already at its lowest point in almost 20 years. Therefore, a new government in Canada must move to keep companies in Canada while making investment more attractive to foreign sources of capital.

Gerry Protti, the director of the former association IPAC, said in March 1992: "The foreign ownership restriction is discriminating against the oil and gas industry. Treating the oil and gas industry differently from other industrial sectors is not going to benefit developing resources or creating jobs". In his view the investment restrictions keep small and medium-sized companies from much needed capital from both foreign and domestic investors.

Between 1985 and 1990 Canadian-controlled petroleum firms reinvested at an average of 99 per cent of their annual cash flow and domestic activities. Foreign-controlled firms reinvested an average of 77 per cent. While the reinvestment rate is not as high for foreign firms, the commitment to Canadian projects remains noteworthy because resources developed through foreign financing are almost always under Canadian management.

Foreign reinvestment rates were much higher in the years when our exchange and interest rates were more competitive in real terms. Canadian-owned shares of our petroleum firms grew from 26 per cent in 1981 to 45 per cent in 1990. Relaxation of foreign investment rules will probably reduce that figure but no independent analysis to my knowledge has shown unequivocally why this would be a bad thing. Much of our domestic oil and gas industry, particularly that in my own province of Alberta, has been achieved through foreign investments. Given that our western-based petroleum industry has been forced to accept a bad economic environment since late 1985, the Government of Canada has an obligation to improve access to pools of offshore capital.

• (1605)

Selective tax concessions have proven to be ineffective in creating a profitable climate, not to mention the dangerous patchwork effect they have in the marketplace.

Foreign investment and ownership rules are only one tool that the minister has to make the petroleum sector more profitable.

The measures to be announced by the minister are likely to be short-term solutions which will not likely fully satisfy the demands of an industry in great difficulty.

Some means of stimulating more activity is urgently needed for our entire resource sector.

The mining industry, for example, which now accounts for about 4.4 per cent of Canada's Gross National Product and supports about 330,000 direct and indirect jobs, faces serious difficulties because of the existing federal-provincial tax policies, environmental assessment and regulations, problems of land access and security of tenure, all of which create investment uncertainty, particularly for people like the Japanese. They are not used to dealing with various levels of government in order to have a project go ahead.

Mining exploration, for instance, is at its lowest in a decade. In 1991, it fell to $656 million in spending from $751 million in 1990 and $1.3 billion in 1988. Reserves of many of Canada's metals have dropped significantly since the early eighties. For instance, proven and probable reserves of copper, nickel and zinc were almost two-thirds of those reported in 1981, while lead was down 60 per cent of its 1981 level.

For the first time in recent history, mineral production is exceeding reserve additions and opportunities for mineral exploration and development continue to be squeezed. Mining exploration is of course high risk and a high dollar cost is attached. It is crucial that mineral exploration in Canada be returned to high levels to replace depleting reserves. This is only possible if sufficient incentives are provided to attract investment from around the world to the high risks of mineral exploration.

It should be emphasized that only our domestic mining industry is hurting. There is a wide perception abroad that the legislative and policy changes introduced in a number of mineral-rich countries, particularly in Latin America, have had a significant impact on investment flows in the mining industry. By relaxing previous restrictions on foreign investment and resource development, such countries have unleashed a pent-up demand for unusually high quality mine development opportunities.

In many countries foreign investment laws have been liberalized to reduce or eliminate restrictions on foreign ownership, to place foreign investment on a more equal footing with local investors. Some governments have also introduced legislation aimed at reducing taxes on foreign remittances or on foreigners reinvesting profits in the local economy.

For example, to attract foreign mineral investment, laws have been revised and mining tax rates, import tariffs, freight rates, export duties and price controls have been reduced or simplified to promote mining activity.

Areas of land formerly off limits are being opened for mineral exploration and development by foreign mining companies. About 40 Canadian mining companies are active in Chile, helping to make Canada the fourth largest foreign investor in Chile after the U.S., Japan and Finland.

This trend toward Latin America also raises serious concerns about Canada's ability to maintain its position as the world's largest producer of zinc and fourth largest miner of copper.

In closing, the current levels of Canadian ownership in the oil and gas industry are not so dangerously low as to imperil the domestic control of our resources. Improved access to foreign capital can improve our access to new technology enabling firms to enhance what is already a competitive advantage compared to other oil-producing nations.

Improvements in market conditions in Canada that would occur through greater access to capital would be likely to entice our own oil companies to explore our domestic frontier as well as in other countries.

Most economists would agree that measures which inhibit foreign direct investment tend to reduce aggregate economic growth and income levels.

It should be emphasized, however, that the proposed bill first and foremost will affect our aboriginal peoples who live on the frontier lands north of 60. My colleague from the Western Arctic will speak to that issue soon.

The bill's impact on aboriginal land and whether or not aboriginal nations will support such an initiative will depend to some extent on their ability to profit from new projects in terms of jobs, royalties and the extent to which energy-selected ventures will affect wildlife and environment.

• (1610)

Producing oil and gas from the north's vast energy reserves was part of the national dream just a decade ago. The area was seen as a source of our national energy self-sufficiency. It would be imprudent for the Official Opposition to oppose any reasonable relaxation in foreign ownership in that industry on the grounds of economic nationalism.

What seems to be required though are conditions such as promoting exports or using Canadian suppliers or making shares in the Canadian enterprise available to Canadians, to recover resource sector jobs so desperately needed across Canada particularly across our frontier lands.

Mr. Ross Harvey (Edmonton East): Madam Speaker, at the outset I would like to place an unusual request before the House. I would like to seek the unanimous consent of the House to be granted the same time allotment as previously was granted to the critic for the Liberal Party and the minister in addressing this bill.

I make this request because the circumstances of the genesis of the bill and its impact require an analysis more thorough than I can manage in 20 minutes. I put myself in the hands of the House. I do however seek that unanimous consent.

Madam Deputy Speaker: Is there unanimous consent to allow the hon. member to have 40 minutes?

Some hon. members: No.

Madam Deputy Speaker: Consent is not given.

Mr. Harvey (Edmonton East): Madam Speaker, that being the case I will move as far through my remarks as I am able in the time allotted. They will then be resumed on my behalf later in the afternoon, I believe by the hon. member for Essex—Windsor.

In any event let me begin by saying how sad it is to see the once proudly nationalist Liberal Party reduced to yet another supplicant at the temple of international capital. I must say that those who served the party well in its nationalist heyday must be hanging their heads in shame and spinning in their graves at this point.

This is a free trade bill. The Americans wanted it; the Conservatives complied. This bill meets exactly the negotiating objectives of the United States government adopted even before the 1988 passage in Canada of the Canada–U.S. Free Trade Agreement.

The government is abandoning completely the long-standing Canadian policy of maintaining and increasing Canadian ownership and control in our strategic petroleum industry. This is being done through this bill and the government policy announcement of March 25, 1992 dumping Canadian ownership requirements outside the Canada lands, and through Bill C-89, the bill that extends to U.S. investors the same review thresholds for oil and gas investments as apply in other sectors of the economy. It is through these three agencies the government is doing this.

The alleged purpose of this bill is to spur significant amounts of constructive new investment in Canada's oil patch. But that is nonsense. Instead, this bill will harm Canada by guaranteeing that in the long term as Canadian petroleum assets recover their value, God willing, the number of American takeovers of Canadian oil and gas companies will increase. In the long term this will result in fewer jobs for Canadians and a greater flow of energy dividends and capital out of Canada.

Finally and most dramatically, if the North American free trade agreement is implemented and thereafter for so long as it remains in place, no government will ever again be allowed to reintroduce foreign ownership restrictions in the Canadian energy industry.

Taking this point by point, what does this bill actually do? Under existing law in Canada, oil and gas licences in areas of federal jurisdiction on the so-called Canada lands are granted only to Canadian citizens, permanent residents or companies, the shares of which are at least 50 per cent Canadian owned. If this bill passes, these restrictions will be scrapped. Canadian citizenship or Canadian ownership would cease to be a consideration in the issuance of licences to extract Canadian oil and gas on these lands.

The only remaining requirement for a non-Canadian company would be a mere formality. That company must file a few papers to ensure that it is incorporated in Canada. That is it. Obviously the long-standing Canadian policy of attempting to increase Canadian ownership and control in the Canadian petroleum industry is killed once and for all by this bill.

We must ask ourselves why the government is making this change. The government claims it is giving up this control in our industry to make it easier for petroleum companies operating in Canada to raise investment capital. In what was to be the first of a two-stage change, the then minister of energy announced on March 25, 1992 that the government would "no longer prohibit the sale of Canadian controlled upstream oil and gas companies to foreign investors". He claimed that the long-standing federal policy of 50 per cent Canadian ownership of our upstream oil and gas industry "restricts the free flow of capital into Canada's oil and gas industry" and that the requirements elimination "will enable industry to gain access to additional sources of capital which it sorely needs".

• (1615)

He added: "By lifting restrictions on the sources of investment capital, we expect that it should enhance exploration and development of Canada's oil and gas resources. The ultimate result will be growth in Canadian oil and gas production."

Evidence indicates that the change is unlikely to be much help to the Canadian energy industry. Economist Campbell Watkins, a member of the International Association of Energy Economics, was quoted in the March 25, 1992 Canadian Press article to the effect that allowing increased foreign investment was unlikely to spur investment in the Canadian oil patch. As he put it: "We can free up the rules but don't expect a flood of foreign capital. It's not as if there's a great pent-up supply of foreign capital just waiting to push into Canada".

Even the former minister of energy has admitted publicly that the change was unlikely to have dramatic positive effects for the Canadian industry. On April 1, 1992 he told the Standing Committee on Energy, Mines and Resources that he had been very careful when he announced the new policy. As he put it: "I did not say at any time that I expected there would be a great rush of capital into Canada because of the changed policy".

One week later, describing the likely impact on investment in the energy industry he told the same committee: "I never said that it would be an instantaneous cure-all or that it would be a cure-all at any time." In fact, not only was the government unable to point to any significant benefit which it anticipated in consequence of the change, it apparently did not even study the likely effects of the change before announcing it.

During a briefing on the change conducted a year ago last March, energy department officials indicated that no assessment of the effects of this policy change had been undertaken in the department prior to the minister's announcement on March 25, 1992. When I asked the then minister about this in the energy standing committee he said: "I cannot tell you, Mr. Harvey, what assessment there will be on new investment."

There is no solid evidence that eliminating restrictions on foreign ownership and control will result in improvements in the financial outlook of Canada's petroleum industry. In fact, a major report on the profitability of Canada's upstream oil and gas industry, commissioned by the Canadian Petroleum Association, itself dominated by U.S. owned and controlled companies, did not highlight these ownership restrictions. Instead, the Powerwest report indicated that the main reasons for upstream industries' poor financial performance were, and I quote from a September 17, 1991 CPA/IPAC news release: "Low oil and gas prices, the maturity of the Canadian western sedimentary basin, rapidly rising costs of production, a provincial royalty system designed for a different era, high interest rates and high exchange rates". You will search their release in vain for the slightest mention of ownership requirements.

Clearly the Conservative suggestion that foreign ownership restrictions significantly hobble the industry are wrong. Other problems, including profitability in this era of deregulated, artificially low prices are much more important. Recent experience in Canada bears this out.

For example, even though the Conservatives are allowing every penny of the money raised in their shameful sale of our former public energy company, Petro-Canada, to be diverted from the public coffers back into the company, the second tranche of shares was widely seen to be a flop. Even given the Conservative get back the money you paid guarantee to any investors who would buy these shares, the investors just were not buying.

Similarly, even though no foreign ownership restrictions apply to the Hibernia project, and even though the federal Conservatives are subsidizing the project and thus are subsidizing American companies and consumers by over $3 billion, the government had to kick in another $300 million taxpayers' dollars before it could get another private company to invest in the project.

• (1620)

Foreign ownership restrictions are not hobbling the industry any more than they were hobbling Hibernia. In fact, eliminating these restrictions could simply increase the degree to which foreign controlled petroleum companies are able to cash out or sell their assets to other foreign firms—the name Li Ka Shing hovers gently in the background—and move the operations and the jobs that they provide out of Canada.

This change will increase foreign control. I know of no one who disputes the contention that this bill, together with Bill C-89 and the elimination of the oil and gas ownership policy, will increase the degree of foreign control in Canada's oil and gas industry, mainly through corporate takeovers. There is no other long-term impact that it can possibly have. That is its intent. The anticipated increased foreign control may eventually cost Canada billions of dollars.

Data compiled by Canada's petroleum monitoring agency over the last 12 years indicate that the high degree of foreign control in Canada's petroleum industry has made problems in that industry much worse. These data show that Canadian control in our oil and gas industry builds that Canadian industry; whereas foreign control and ownership in the industry bleeds the Canadian energy industry. Do not take my word for it. Just refer to the data compiled by the PMA.

Between 1980 and 1991 foreign-controlled oil and gas companies exported over $26.8 billion net from Canada. That is after all the investments, all of the drilling, all of the infrastructure construction and all of the investments of these companies in Canada, they still exported a net $26.8 billion, more than two times the size of Alberta's Heritage Savings Trust Fund. That money extracted from Canada will never again be available to create jobs in Canada. By comparison, during the same period Canadian-owned and controlled companies generated a significant $2.1 billion net inflow; $2.1 billion to create new jobs, to invest in new exploration and development. That is the signal difference between the two: foreign control and ownership cost the country money; domestic control and ownership bring money into the country.

Canadian control also means greater reinvestment which generally means more jobs for Canadians. From 1981 to 1990 Canadian controlled companies reinvested 94 per cent of their $34.8 billion cash flow. By contrast, foreign controlled companies reinvested only 77 per cent of their $49.1 billion cash flow. Ninety-four per cent by the Canadian controlled companies, 77 per cent by the American controlled—I am sorry, Madam Speaker, they are not all American, just principally American-controlled companies.

You do not need to be a rocket scientist to figure out the divergence here. The logical conclusion is inescapable: Any government that is interested in maintaining and increasing jobs and development in Canada should do everything in its power to increase Canadian control in the petroleum industry. Attempting to treat problems in the industry by encouraging even more foreign ownership and control, as this bill does, amounts to treating the symptoms with an even bigger dose of the disease.

The late and well-respected New Democrat, Tommy Douglas, said it well in the House of Commons on November 15, 1978, and I quote from that year's *Hansard*, page 1169:

> The choice in this country is whether or not we are going to develop the petroleum resources of Canada for the benefit of the Canadian people, or whether we are going to continue to be the economic colony in which our vital energy resources are owned and controlled by foreign multinational corporations.

Doubtless some members will object. Canadian ownership and control in the Canadian petroleum industry is increasing right now, regardless of the change in the government's policy and regardless of the anticipated effects of the bill. It is true that Canadian control of the upstream industry has risen from its 1988 nadir of 37.6 per cent of upstream revenues to 42.8 per cent in 1991. Over the same period Canadian ownership of upstream revenues has risen from 42.1 per cent to 45.2 per cent. Both are still down from the mid-1980s highs of 49 per cent control in 1986 and 47.9 per cent ownership in 1985, but the trend is upward.

• (1625)

A similar trend can be seen in combined upstream and downstream revenues, control and ownership which now stand at 38 per cent and 45.5 per cent Canadian respectively. So what's the problem? The problem is ruinously low asset value.

The reason Canadian control and ownership are nudging upward at present is that foreign-controlled, principally American transnationals are literally cashing out their holdings, especially in the western sedimentary basin. They are selling what they can, taking the money and running to the sunnier and more profitable climes of Indonesia, Burma and elsewhere as enumerated by the member for Edmonton Southeast.

As Canadian oil patch workers have discovered, it is hard to compete with slave labour and dictatorial governments that have no interest of their own people whatsoever. However, I suggest that advising the Canadian government to adopt similar policies is hardly what is required.

The reason the transnationals are cashing out their holdings in the western sedimentary basin is because the price for the product is too low. Recent happy talk about a possible doubling of the price of natural gas notwithstanding, the facts are that the California public utilities commission remains in place and active, competition with massive cheap pools of Mexican gas is foreseeable and Canada remains locked into the so-called market price strait-jacket of the free trade agreement. Simply put, transnationals can make more money elsewhere, thank you very much.

Canadian juniors and independents are therefore buying up the assets put up for sale by the transnationals. This has two effects. First, it nudges Canadian ownership and control figures upward. Second, it ensures a further drain of capital from the oil patch and thus from Canada. This will remain the case so long as American dominated commodity prices remain low and asset values thus remain depressed.

But just let another oil price shock happen or a significant energy commodity shortage develop in North America and prices will rise once again, drawing asset values up with them. Once again Canada will find itself in the position it held before control and ownership policies were brought in in the first place: wide open to opportunistic foreign corporate penetration of our energy industry.

There you have it. Take your pick of two possible Tory futures for the Canadian petroleum industry. You either get increased Canadian ownership and control of depressed value assets or you get renewal of foreign ownership and control of high value assets.

These are the people who style themselves as shrewd businessmen? It would be hilarious if it were not so pathetic.

I had hoped to turn to the question of why this particular bill at this particular time but I suspect, looking at the clock, that I am shortly to run out of time. Let me just say that in his speech on this bill my colleague, the hon. member for Windsor—Essex, will address the substance of the charge that this is a free trade related bill and that it represents a complete capitulation to the demands of the Americans, demands that were made prior to the 1988 FTA and were put into the 1988 American legislation.

What this bill means simply put, encapsulated, is that free trade claims another victim. The government prepares passage of a bill allegedly intended to address a Canadian problem which does not in fact exist. It seeks adoption of a law which can have no long-term effect that is not harmful to the Canadian economy. It does so in the interests of a group of foreign-based, transnational corporations which feel no more loyalty to Canada and the Canadian people than they do to whatever denizens may reside on the fourth moon of Jupiter.

In the happy but ever less likely event that there will continue to be citizens of an independent Canada in the future, they will marvel, incredulous, at the end of term machinations of this pathetic assembly of tin-pot ideologues, quislings, and incompetents.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, I would like to ask the member, because he and I sit on the energy committee together, where does he think there is a good foreign control law around the world that would please him?

• (1630)

For example, does the members like the situation in Mexico where under the proposed NAFTA Pemex, the state oil monopoly, would continue to have a monopoly on all risk activities for oil and gas? Is that what he thinks Canada should do? Does he think that kind of a policy would attract foreign investment to our oil sands which, as he knows as an Albertan, represent the best hope for the next 20, 30, 40 years? Would he like to see that kind of a policy, which our limp-wristed negotiators for Canada negotiated with NAFTA, for this country? Does he think that would help his constituents?

The member gets up and tells us that his is the 14th poorest riding in the entire country. Does he think it would create jobs for young people in his riding, oil geologists or people who work on service rigs, if we were to go to the Pemex model which negotiators for Canada and the United States have somehow, for reasons which escape me, agreed to?

What century, what planet does he think he is living in today when Venezuela and the former Soviet Union, the Russian federation, are all opening their doors as fast as they can to compete for scarce capital?

Does he think that his policy will be a way to get the Japanese or the Taiwanese to come and build a new oil sands plant? Does he think his policy, which is out of some distant ideological age and he is the one that mentioned ideology, would bring jobs and prosperity to Canada and would create wealth in Canada?

I would be grateful to have his comments.

Mr. Harvey (Edmonton East): Madam Speaker, the distant ideological age, which I take as reference for the purpose of these discussions, was the period from 1975 to 1982. As the hon. member will know, at that time Alberta was booming, employment was growing at rates that were causing severe social dislocation, and it was good times from one end of town to the other.

What were the characteristics of that age? What differentiated it from the circumstances we have now? The answers are fairly easily determined. They include regulated pricing and Canadian ownership requirements.

I would think that having taken the trouble to cross the floor from the government party to the Official Opposition Liberal Party he would know this. The answers include an activist federal government which determined that Canadian energy resources were to be developed in the interest of the Canadian people.

Apparently all of those lessons are to be jettisoned. All of that history is to be ignored in favour of a brave new world of transnational capital that invites us all to the great human foot race to the bottom. It invites every nation there is, every people on the planet and every individual on the planet to line up at the starting line and begin running down into successive basements of wages, regulations, environmental and labour standards, and human degradation that we can find.

I am sorry but I ain't running. My party ain't running. To the degree that we have anything to say about it, the Canadian people ain't running.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I listened to my hon. friend. It is really kind of sad because while there is a lot of ideology spewing out of his mouth there is not a lot of sense. If he would compare the facts to the statements that he has just made he would realize that what he has said is absolute garbage. However, that was not the purpose for which I stood up to speak. I just wanted to make that point because I could not accept the garbage that he just put on the floor of the House right now.

The member called this a free trade bill and said that this bill was designed by the Americans and was subject to the requirements of the Americans that were in the original free trade agreement.

I listened to my hon. friend from the Liberal Party, and while I did not quite hear him say that he is going to support this bill the way he was speaking and addressing my friend from Edmonton from the New Democratic Party indicated to me that he is in favour. I am not sure whether he speaks for his party, but he is in favour of it.

• (1635)

If that is the case, the Liberal Party is against the free trade agreement, it is against the North American free trade agreement and yet it is in favour of this bill. So how can this piece of legislation be a product of the free trade agreement?

Mr. Harvey (Edmonton East): Madam Speaker, I must confess that I am indebted to the hon. Minister for International Trade for putting that question. The answer clearly is obvious. He is correct when he says that it is logically impossible to oppose both this bill and the free trade agreement.

We have not had a vote on the free trade agreement in this House yet, but I assume we are going to have a vote on this bill pretty soon. I suspect that the Liberal Party will vote in favour of this bill. At least that is how I interpret the remarks of the hon. member for Edmonton Southeast.

I would suggest that will provide a very fair indication of the Liberal Party's true position with regard to both the North American free trade agreement and the Canada-U.S. Free Trade Agreement.

As for the spewing of ideological garbage, let me try to spew a wee bit more ideological garbage: $26.8 billion net exported from the country, $2.1 billion net imported to the country. Those are the respective records of the foreign-owned and controlled companies from 1980 to 1991 and the Canadian-owned and controlled companies 1980 to 1991. If that is ideological garbage then I am pleased to be an ideological garbage collector.

Mr. Kilgour: Madam Speaker, would the member tell us how many people in his constituency work in the oil-servicing industry, the oil industry, or in part of its activities within his constituency? Would he also tell us whether he thinks that if this bill passes it will result in less employment in Edmonton East?

My party has now sold more than 3,000 Liberal memberships in order to nominate a candidate, and I am happy to say that three of the nominees are women, to run against this member.

Does the member think that it will help or hinder his constituency if this measure passes?

Mr. Harvey (Edmonton East): Madam Speaker, to answer the hon. member's first question, I am sorry but I cannot report with any accuracy how many residents of Edmonton East work in or are associated with the petroleum industry in its production and exploration guises. My guess is, and it is only a guess, that the number is somewhere around 2,000 to 3,000. I can say that there are fewer, by several times, than there were a decade ago. I would suggest that there are fewer, by several times, than there were even seven years ago.

As is the case everywhere else in Alberta, deregulation has slaughtered employment in my riding. For that reason I remain unequivocally opposed to deregulation. The cost in human terms in Alberta has been immense.

As to whether I think this bill will help or harm the people in my riding, I think in the near term it will have no immediate street level effect one way or the other. I see no evidence of there being a pent-up demand by would-be foreign investors in the Canadian oil patch slathering and pounding at the door to get in.

The one major recent example we have had of new foreign investment was Murphy Oil going into Hibernia and it had to be bribed to do it. No, it will have no short-term consequences one way or the other. In the long term, and especially if asset values recover, it will have the effect of causing even greater net capital export from the country. If he thinks that is a good idea then he is by all means welcome to vote with the government in favour of this bill.

• (1640)

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I said that I was not sure what the position of the Liberal Party is because my friend from Edmonton did not state whether it was going to support this particular piece of legislation. However, I must say that I listened in absolute amazement to the extraordinary hypocrisy that was spouted by the member from Edmonton. It has not taken him long to change his colours. It took just a short period of time, from when he left this party to the time that he slid in with the Liberal Party, to forget the past totally.

If the member read the piece of work that he just presented to the House he would probably be embarrassed. First of all, he was very critical of the foreign investment policy of this government. He is now supporting a party which introduced the National Energy Program, which he was opposed to when he was on this side of the House. He is now supporting the party that introduced the Foreign Investment Review Agency, which he was opposed to when he was on this side of the House. He is also now supporting a party that voted against the changes to the National Energy Program and the changes which transformed the Foreign Investment Review Agency to Investment Canada, which we made. Unfortunately, he has had to leave the House because he cannot stand the truth in his ears right now.

The member then talked about the high levels of debt. Here again he is supporting the party that eight times in the last four years voted against spending control bills that this government has introduced.

The member is supporting a leader who said in a very proud way in a speech a few days ago, which he called a policy speech and that is an oxymoron in itself, that he was Doctor No of the Liberal Party when he was President of the Treasury Board. We checked back to when he was President of the Treasury Board and we have a quote in which he said how proud he was to be the President of the Treasury Board that held back the increase in government spending to only 26 per cent. He is Doctor No. What would we have had if he was an easy spending guy, if he was Doctor Yes?

The member then talked about the high Canadian dollar and the high interest rate policy that he claims this government has been following. Everything that we have introduced to try to bring interest rates down, whether control of inflation, control of spending, deficit control, or all those things that are designed to bring down the level of interest rates which he is opposed to, that party voted against.

The member stood there and flailed away at this government for the policy that we are changing today and that is the same party that introduced the policy that we are changing today.

This man, who was the Judas of the Conservative Party when he went over to the Liberal Party, today stood up with a holier than thou attitude and said: "I am going to protect my constituents, and this government on the other side of the House did not have the courage to protect the oil and gas industry in Canada". He has just flipped right around and changed—

Ms. Clancy: Madam Speaker, I rise on a point of order. I take as a personal affront the comment of the hon. minister with regard to the member from Edmonton and the use of the word Judas. I think we are above that kind of thing, or at least some of us in this House are.

Madam Deputy Speaker: I do agree that we should keep the level of debate on a higher—

Ms. Clancy: I agree, Madam Speaker.

Ms. Blondin-Andrew: Keep a civil tongue in your mouth, Michael. It is very unbecoming for a minister.

Madam Deputy Speaker: I think the level of debate on both sides of the House should be a little higher at this point. The hon. minister has the floor.

• (1645)

Mr. Wilson (Etobicoke Centre): Madam Speaker, I have been on the government side of the House for eight and a half years and not once since I have been on this side of the House have I heard a question asked from members opposite as to when we are going to change the policy that is in the bill that is before us today. Yet we hear this man standing and criticizing us for being so slow when he is a member of the party that did everything it could to pillage the oil and gas industry in western Canada that is extremely important to that part of the country. It is unbelievable to listen to the stuff that he is talking about here.

Bill C-89 proposes three amendments that are designed to address some specific problems in the Investment Canada Act that was passed in 1985 by this House. It was opposed for a lot of broad reasons by the party opposite, none of which had anything to do with the—

Madam Deputy Speaker: On a point of order, the hon. member from Essex—Windsor.

Mr. Langdon: Madam Speaker, if the minister would check, I think that we are presently debating Bill C-106 which is not the bill to which he just referred in talking about the various amendments which are being made to the Investment Canada Act. I think he will note that that is the next piece of legislation slated for debate.

Madam Deputy Speaker: The hon. member will allow me to listen to what is said and to rule on the relevancy. The hon. minister.

Mr. Wilson (Etobicoke Centre): Madam Speaker, my understanding is that the legislation that we are debating now is the Investment Canada Act. Am I correct on that?

Mr. Kilgour: No, you are not.

Mr. Wilson (Etobicoke Centre): Then I apologize. I will withhold my brilliant remarks and let my facts stand on what I heard the hon. member from Edmonton saying just previously on the hypocritical position he was taking on policies that this government supports and that the member is supporting on the other side of the House.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I have to say first of all that it is a little hard to take the minister's extreme statements with respect to the member from Edmonton seriously when the minister did not even have a sense of what bill it was that we were debating here in the House of Commons.

I did want to ask the minister how he can possibly stand up in this House and say that it makes sense to open up further the foreign ownership restrictions which he himself signed in an exchange of letters with James Baker as part of the free trade arrangement back in 1988. How can it make sense to open up those restrictions further in view of the fact, brought out so forcefully by my colleague the member for Edmonton East, that this country has had a net loss over the past 10 years of something in the order of $26 billion in outflows as a consequence of the foreign ownership that presently exists. At the same time Canadian-controlled corporations are resulting, in the case of oil and gas, in a net inflow of $2.1 billion.

How can a minister who is concerned with our economic position and the access to capital that we have as a country to such capital for jobs for our future and for industrial development for which he is responsible stand up and say that it makes sense to make it easier to have foreign-owned firms when their record is so abysmally worse than the Canadian-controlled companies with respect to keeping capital in this country and creating jobs in this country for the future?

• (1650)

Mr. Wilson (Etobicoke Centre): Madam Speaker, I thank my hon. friend for his question and his earlier interjection.

The numbers, as I recall, show a reinvestment of 94 per cent and a reinvestment by Canadian-owned companies of 77 per cent.

Mr. Langdon: Foreign-controlled?

Mr. Wilson (Etobicoke Centre) Yes, by foreign-controlled.

Mr. Langdon Of cash flow?

Mr. Wilson (Etobicoke Centre) Yes, of cash flow.

My hon. friend I think realizes that when foreign capital comes in it brings with it much more than just cash. It brings with it technology. If that foreign capital had not come to Canada that technology would not have developed to nearly the extent of the industry that we have today. That is whether it is on the conventional side of the industry or in the heavy oil side of the industry.

My friend from Edmonton is shaking his head. I do not know whether there are flies running around him but if he could listen carefully he would understand that the discovery just south of his riding in Leduc was made by a foreign-owned company. That was the start of the Canadian industry in Canada. Now he is nodding his head in approval.

The industry then developed considerably from there principally upon the resources of the foreign-owned companies and the technology that they brought with them. As those companies developed the Canadian industry, Canadian-owned companies were spun off from the U.S. companies and resulted in a very strong Canadian industry today whether it is in the exploration and development industry or the oil-servicing sector.

It is in the oil-servicing sector that we have had a real success story because it is there that those companies are able to go and sell their technology and generate jobs for Canadian companies in other markets.

If we did not have the foreign-owned companies to start all this, then we would have been starting way back and would not have had nearly the development that he enjoys in his city of Edmonton right today.

One does not get that capital for nothing. There has to be a return on that capital and it is this disparity that is in effect in part the return on that capital, but one does not get something for nothing. Maybe the NDP always thinks that one can get something and that there is a free lunch, but in fact there is not. I think my hon. friend would believe that if he would be straight with the House.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, it is interesting that the hon. member who just spoke talked about free lunches because earlier on he was chastising another member from Edmonton for his failure to support expenditure control legislation that had been introduced in this House.

What I wanted to raise with the minister was the fact that on so many occasions when he was the minister in charge he—and now his successor—refused to do anything in response to the many questions that I placed in this House about free lunches.

There is such a thing as a free lunch or a freer lunch or a cheap lunch if you happen to be a business person and you can take advantage of the business and entertainment tax deduction in this country that costs the Canadian people and the Canadian taxpayers $1 billion a year.

Over the years we raised this and we have always been met with the argument that we could not do anything about this because we had to remain competitive with the United States. I understand that some move may now be in the offing in the United States to change that particular tax deduction there and that excuse will disappear. It will be interesting to see what response the government has to that.

• (1655)

Again, with respect to the member's own remarks about expenditure restraint, I wonder if the minister would care to comment on the article by Mr. Peter Meyers that maintains that the capital gains tax exemption was the biggest budget goof in Canadian history and that the member who just spoke was responsible for this biggest budget goof in Canadian history. The total price tag, this article argues, for this tax break already exceeds $20 billion and says that at least $14 billion of it was totally wasted and squandered randomly to what has amounted to a taxpayer-financed lottery.

I am talking about the $500,000 lifetime capital gains tax exemption which was supposed to stimulate investment, but which covered such a broad range of things that it amounted to a windfall profit for—

Madam Deputy Speaker: I imagine the hon. minister will choose to answer, but I must tell the hon. member that we are a long way from Bill C-106 and Bill C-89 for that matter. The hon. minister.

Mr. Wilson (Etobicoke Centre): Madam Speaker, I do not think I will comment on the relevancy question. I will leave that to you and your responsibilities.

On the question of the exemption for entertainment, there are some changes that are being proposed in the United States. If in fact there are changes that affect the competitive position of the Canadian industry then that will provide some flexibility for the Minister of Finance and it will be up to him to decide whether or not he wishes to maintain a competitive advantage for Canadian industry relative to their counterparts in the United States or change that. That is something he might address to the Minister of Finance in anticipation of his budget in a month's time.

The other point that the hon. member has raised is a question of the capital gain exemption. I have not read the article that my hon. friend refers to but the purpose of this proposal was simply to encourage Canadians to invest in the country. It was focused essentially on small businesses and farmers where there is a $500,000 exemption. All the rest is $100,000 exemption. My hon. friend knows that was restricted somewhat by the Minister of Finance in his last budget.

The analysis that my hon. friend neglects is that there were benefits brought about by that incentive by people putting their money into the country, creating jobs, creating new technology and creating exports and in that way increasing economic activity. The economic impact of that is not taken into account by any analysis that my hon. friend would quote. Since he is only giving me a one-sided conclusion, clearly I have to reject that conclusion.

Ms. Ethel Blondin-Andrew (Western Arctic): Madam Speaker, I am happy to have the opportunity today to speak on Bill C-106, the legislation that will eliminate restrictions on the foreign ownership of oil and gas production on frontier lands which are lands north of 60 and offshore areas controlled by the federal government.

I have a personal interest in this bill and I am sure that my constituents who are watching would like this bill and other bills related to the territories to be treated with the seriousness and the concern that they feel about it. I do not think it is a laughing matter or necessarily to be so partisanly imbued.

Having said that I would like to deal with some of the direct issues that pertain to this bill. I think it will have a direct consequence and impact on my riding of Western Arctic and on the Northwest Territories generally.

Bill C-106 will bring further frontier lands into line with conventional lands in Canada, which as of March 25, 1992 are no longer subject to the maintenance of the requirement of the goal of 50 per cent Canadian ownership in the oil and gas sector.

I have to say that with bills I have the opportunity to speak to I have some caution and reservation in approaching various bills because I think it is a very complicated process. I think that to just throw oneself at the foot of any bill in approval is rather silly and irresponsible.

• (1700)

I have reservations about this bill. Particularly, I have reservations about wooing foreign investment. This is due to the lack of real investment by the federal government in its own country and in its own industrial base and in particular, in the companies and corporations that represent Canada.

Bill C-106 is guaranteed to affect a number of regions in the north. I am thinking in particular about the areas which have the most oil and gas activity. For example, there is Norman Wells in my area of the Sahtu region of the Northwest Territories. It is an area that will not only be very much impacted by this but it is also currently struggling with land claims. In the final stages of having its claims ratified, there was one area in which it was particularly interested in obtaining a deal with the government. It was perhaps to have some of the revenues flow from those particular wells in Norman Wells through the claims provision to the people. But that was not meant to be. I would say that there might be some redirection of the government's efforts to make those kinds of accommodations in the future.

In Inuvik, the Mackenzie delta, this area is known for its willing participation in the oil and gas industry. In fact the National Energy Board hearings were held in Inuvik. Many people participated and expressed their concerns as well as their support. This area has been very much involved in the oil and gas industry for a number of years. In the Beaufort region, Tuktoyaktuk and some of the other communities have had in years past much activity and much human and financial investment.

Benefits have accrued from those activities to the communities. It has resulted in a number of different activities that the communities have engaged in because of the benefits that have accrued from the oil and gas activities in and around that area.

In the high Arctic we have Panarctic Oils Ltd. which has put a face to its business through the work it has done with the locals as well as with other Canadians who have taken an interest in working under those conditions.

I have a few concerns in relation to these areas and regions which will be highly impacted by Bill C-106.

I would also like to mention in particular that in dealing with any bill in the House, what comes to mind generally is the whole issue of aboriginal land claims. The impact that Bill C-106 will have on aboriginal land claims north of 60 is still not certain at this time.

Any oil and gas project development will require the support and approval of the aboriginal First Nations in the region: the Inuvialuit, the Gwich'in, the Dene-Métis, the Sahtu. Also within the area of the Cameron Hills oil development activities we have the treaty eight looking at a land adhesion treaty.

Support for the development projects will depend upon a number of requirements which would have to be met accordingly, one being the ability for aboriginal peoples to profit to some extent from the venture. That bears in mind a very controversial issue.

I look at the whole issue of Lubicon where there are absolutely no provisions made for those revenues to go back to the people of that area. What in fact has been happening is the multinational corporations are extracting over $1 million each day from Lubicon land. The Daishowa paper company has been clear-cutting on Lubicon land since 1990. This development is destroying the environment and has killed the Lubicon traditional economy of hunting and trapping and has forced these people on to welfare.

Maybe in addition to getting approval for this bill, this government could look at some provisions for putting in trust royalties which would force the government back to the table on these particular issues.

• (1705)

It is highly unfair to have the environment of the aboriginal people more or less pillaged and impacted on severely. We could say that any new development includes prospects for the creation of directly and indirectly related local employment opportunities as well as education initiatives and job training programs for local residents. This is to prevent an influx of highly skilled foreign workers displacing the opportunities there for local people.

Co-management projects to determine socio-economic and environmental impacts in reviews will have to be undertaken. To what extent future oil and gas development will affect wildlife in the environment in the region will have to be considered.

Environmental assessments and mechanisms thereof have to be in place. For example, the U.S. $12 billion pipeline project to ship Arctic gas from the Mackenzie delta to the gulf of Alaska will have to undergo a full co-management review by the Inuvialuit and the Gwich'in, both of whom have already settled their land claims in the Northwest Territories.

As a member of Parliament I have the responsibility to represent all of my constituents in Western Arctic. Therefore, while there are major proponents that are very pro-development the issue of land claimants and the land titles question as well as the issue of security of supply are still major concerns that cannot be dismissed.

Those must not be dismissed. We can look perhaps to amendments in those areas on future debates in relationship to this bill. They are very serious concerns and they must be dealt with. They must not be dealt with in a casual or cavalier manner. Therefore in taking every precaution to ensure that all parties are fairly represented and benefit by Bill C-106, there should be a mechanism put in place that would provide for consultation and assessment of socio-economic and environmental impacts. An amendment to Bill C-106 would address this concern.

I am confident that in supporting this bill the best interests of northerners will be served. However, I must say that due to the lack of internal investment by this government on the oil and gas industry we must revert to reducing the Canadianization restriction. This is in the hope that multinational companies will support new oil and gas initiatives in the north and the high Arctic that the Canadian government and Canadian companies have not been able to.

In relationship to that I would not be surprised to see the government go elsewhere to look at foreign investors to build our infrastructure. I think that is clearly an abdication of its responsibility to Canadian citizens living in the far reaches of this country.

I would hope that the long-term benefits for the north as a result of this bill will be great. I hope they will give the north that much needed boost in its regional economy. The north has suffered like other regions of this country due to the length and intensity of the recession.

I am very proud to say that a revitalized oil and gas industry north of 60 would be good for the Arctic and would also be good for the rest of Canada. The long-term effects of northern development would have a positive impact on the industrial base of Canada. It would increase the demand for industrial goods and services. Most important, it would create jobs and the demand for goods and services in the north.

Regionally this means more northern employment. It means more financial independence for the territorial governments' improvements to northern infrastructure and services and means more opportunities, not all but more, because the government has to do its share for native organizations.

However these benefits will not be assured to northerners until outstanding agreements with the federal government on the northern accord and outstanding land claims are resolved.

The treaty land claims in the Deh Cho as well as the Sahtu and Dogrib land claims and outstanding claims in the Yukon must be resolved. In order to resolve these claims, the financial resources must be made available to fund resource management boards. They cannot be boards in name only. They must have the resources to be able to do the job they have been mandated to do.

The northern accord is critical for the transfer of legislative responsibility for managing and regulating on-shore oil and gas resources to the government of the Northwest Territories and for the sharing of oil and gas revenues.

As a result of the delay in transferring this power northern oil and gas development activities and much needed employment opportunities are being sacrificed and lost.

The provisions of the accord will allow northerners to more effectively control and manage the resources locally rather than by remote agencies in Ottawa.

In conclusion, I believe that Bill C-106 will offer new development opportunities for Canada north of 60. However, for this new development to have encouraging results the government must first carry through on outstanding commitments to aboriginal groups and the Government of the Northwest Territories. In doing so, northern and aboriginal Canadians would be able to reap the full socio-economic benefits resulting from Bill C-106 of the prospect of increased and renewed oil and gas development north of 60 as they are rightly entitled to.

• (1710)

Mr. Ross Harvey (Edmonton East): Madam Speaker, I listened with great interest to the remarks of the hon. member. I took it from those remarks that it is her intention to support the bill. I very much hope she will correct me if I am wrong in that assumption, but that is at least what I inferred from her remarks.

I must say the two spokespeople thus far who addressed the bill on behalf of the Liberal Party have been wonderfully measured in their remarks, skilfully so I would say.

During the course of the hon. member's remarks she mentioned a number of amendments she would like to see made to the bill, presumably in committee. She mentioned such things as guarantees for benefits, local community development and that sort of thing.

I was wondering if she has taken the step of at least attempting to determine the degree to which the amendments she would like to see to the bill would be deemed to be within the scope of the bill and thus in order. I must admit that given what I understand of the bill, and I have been through it in some detail, virtually everything she mentioned would necessarily be deemed outside the bill's scope. Thus they would not be admissible as amendment either in committee or in the report stage debate on the bill in the House.

I would very much hope she could say that I am wrong on this point. The proposals she makes are very good ones and certainly ones that will enjoy the support of this caucus. However, again I would greatly appreciate her informing the House whether or not she has been able to determine that such amendments would be within the scope of the bill.

Ms. Blondin–Andrew: Madam Speaker, I want to thank my hon. colleague for his question. It is a good question and one we are currently seized with. We are working on consulting with the energy critic to examine whether these are components that could be put into amendments. I am not ruling out that possibility. I have not reached the point at which my hon. colleague has information that I have not had, or has an eye for the bill that I do not have.

As far as I am concerned, I will continue to push for amendments which would have this particular impact and would address the issues I have mentioned. I do not see any reason why these would be considered outside the bill. I have not reached that stage. My hon. colleague, the energy critic, and I are currently working and consulting on this.

Mr. Harvey (Edmonton East): Madam Speaker, as well, during the course of her remarks to the House, the member stated quite rightly that the development of petroleum resources in the north could be of great benefit to the people in the north and to the rest of the country.

I would go further and say that as regards natural gas, for example, if the resource in the north is not developed, we in the south are going to be in very difficult straits two to three decades from now. In fact, it is in the national interest that those resources be developed.

Unfortunately, what I know of the petroleum industry, which some of its proponents would say is next to nothing, it seems that the great barrier to development of petroleum resources in the north is not a matter of who owns or controls a given resource company. In other words, it is not a question of foreign or domestic ownership; rather it is a question of price.

Those players in the field now, the petroleum companies active in Canada, simply are not getting a price for the product they are producing now which is sufficient to support the exploration and development of new resources, especially what we know are very expensive frontier resources. I would suggest that in a free market, the current price will preclude northern development for the foreseeable future.

I am wondering what the hon. member would propose as a remedy to the current price regime which will most certainly prevent any development, favourable or unfavourable.

• (1715)

Ms. Blondin–Andrew: Madam Speaker, I think any foreign investors take their cue from the government of a country. I would say that if the government demonstrated a keener interest, as past governments have, in the Beaufort delta in investment in the oil and gas industries on lands north of 60, surely that would be a clear message to foreign investors. It would make it more attractive.

Clearly, if the government made it less costly by investing in infrastructure, which has been a major request of the people who live on lands north of 60, that would also help to pressure and perhaps alleviate some of the cost concerns that investors have and would in fact make it more attractive in terms of investment in these lands.

In addition to what has been mentioned, what would also make it much easier for investors to come aground on this particular issue would be if outstanding land claims were resolved and all of the impediments were removed. It is not just the cost. There is a myriad of concerns that face foreign investors.

I must conclude that having done all of this is no guarantee if there is not the political will on the part of the government.

Mr. Harvey (Edmonton East): Madam Speaker, one of the key points that the member just mentioned in response to the last question was government assistance in infrastructure. I must confess that I am not at all certain what she means by infrastructure.

Let me ask very particularly, is the member suggesting that the government itself build the necessary pipeline or pumping facilities or the necessary roads into drilling areas or the necessary ships for the purpose of offshore drilling and the drilling platforms? What is meant by infrastructure that would benefit from government investment sufficient to bring the production costs down to the point where such production would be economic at today's prices?

Ms. Blondin-Andrew: Madam Speaker, the hon. member has given me a wonderful window of opportunity to express my views on something that northerners are very much in favour of and that is the completion of the Mackenzie highway. That would be one part of the infrastructure that would help to reduce the cost of doing business in oil and gas in the north.

Also, in relation to that, there are huge opportunities across Canada with ports and terminals. I would very much like to see for instance the Coast Guard facility for the Northwest Territories, which is headquartered in B.C., relocated to Hay River, Northwest Territories. It would open up the Mackenzie valley corridor through the Mackenzie River. It would create jobs. It would cause a whole flurry of business activity. It would be great for the service industry.

As well, I would like to see a major port in the area of Tuktoyaktuk. They certainly have the expertise and the willingness. I think that would certainly help to reduce the cost of carrying out oil and gas activity in the north.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, at the start of my comments in this debate let me just remind members and others that what I will be doing is analysing this piece of legislation in what really amounts to the second half of the over-all analysis which was begun by my colleague from Edmonton East.

My colleague outlined very effectively the tremendous outflows of capital which have occurred in the oil and gas industry as a consequence of the excessive foreign control that exists in that industry in this country. He finished with the question: Why, given this excessive haemorrhaging of the country, would a government bring forward a bill such as this?

One reason is that the Conservatives themselves have never apparently fully appreciated the significant harm that foreign domination causes. As a result, they have often taken both sides of the question on this issue of foreign ownership and control of the oil and gas industry. As an example of this, I want to quote from two speeches given by two prominent Conservative MPs in the House of Commons on the same day, June 20, 1978.

• (1720)

The member who now represents Calgary Centre as House leader of the government said this: "I was a founding member of the Committee for an Independent Canada and I believe that far too much of our economy is owned by foreigners", and, he says: "precisely it is because the oil industry is owned primarily by foreigners".

An hon. member: Who said that?

Mr. Langdon: That was, believe it or not, the House leader of the Conservative Party, who on other occasions has himself taken quite the opposite view.

What was especially remarkable that particular day was that at the very time that he stated that, his seatmate, a few minutes later, the present Minister of Finance, the member for Vegreville, put the case for domestic control. He put it: "We in Canada may not have the luxury of ownership in this very important sector. The important thing in this ongoing debate about our natural resources is not so much a matter of whether we own them, but more important, a matter of whether we have the capability of controlling the manner in which these resources will be developed".

Ownership and control are clearly intimately related and even the Conservatives know it. Yet the Conservatives do not in this bill seem to recognize that when you give up your capacity to control ownership levels, you lose an important ingredient in the recipe to control the industry that is so important to particular parts of this country, such as Alberta, Saskatchewan, the areas north of 60 and in fact parts of British Columbia and actually parts of my own constituency where oil, believe it or not, is produced these days.

We could suggest a second reason why the government would bring forward this bill. That is because the Conservative Party receives significant amounts of money from some of the very foreign-controlled oil and gas companies that stand to benefit from relaxed controls on foreign ownership in Canada.

In 1991 for instance the Conservative Party received over $20,000 from Amoco Canada and over $49,000 from Imperial Oil Ltd. Still it seems unlikely that pressure from energy companies alone, no matter how much money they give the Conservative Party, would account for the potentially dramatic changes fostered by the bill before us.

There is in fact a third reason. That is the reason to which my colleague has already made reference, the fact that the United States government was and continues to be keenly and actively interested in relaxing Canada's foreign investment rules. In fact, what we have here is a piece of legislation which is part of the NAFTA agreement brought before this House before the NAFTA agreement itself is brought before the House and before the United States has even come to its final conclusions with respect to NAFTA.

In fact, the United States has been pushing very hard for relaxation of our foreign investment rules with respect to oil and gas and the United States has received what it sought in this bill. It has received it at Canada's expense. Perhaps most significantly, it has received it without any return in the shape of some sort of concession on the U.S. side which might in some small way at least make up for this remarkable concession which we have made.

• (1725)

In the case of energy, Canada gave up substantial control of our oil and gas resources in the free trade agreement in 1988. For example, under the FTA the Canadian government gave up the right to cut back on exports to the U.S. while maintaining domestic consumption in Canada. The FTA also made it the right of our government to make sure that Americans paid prices at least as high for our energy commodities as we pay ourselves.

Initially, however, what the FTA did not do was to extend these concessions in the energy sector to the question of ownership. It did not extend the elements which are in the free trade agreement and which give increased benefits for foreign ownership from the United States to the energy sector. In fact, this exemption is set out in an exchange of letters between industry minister Wilson who spoke previously and James Baker who was at that time Secretary of the Treasury, I believe, in the United States. This appears at the very end of the free trade agreement. In fact, the Conservative government in Alberta used this exemption set out in the free trade agreement to try to mollify people concerned about maintaining control of our strategic energy industry. It boasted, for instance, in the tabloid which it produced called *Straight Talk on Free Trade*. Perhaps it should have been entitled Doublespeak on Free Trade.

The guidelines on investment in the energy industries have not been changed. That was true with respect to ownership requirements. But that was because the free trade agreement, as we can now see, was just step one in the attempt to get greater American control in our oil and gas industry. Even before the Conservatives had rammed the FTA through Parliament, the U.S. government was busily attempting to gain further concessions.

Each year the U.S. trade representative in Washington issues a report that identifies those measures in other countries which the United States considers unwarranted barriers to trade. Each year since the FTA came into effect, that is from 1989 through 1992, this report, entitled *National Trade Estimate Report of Foreign Trade Barriers* has made specific and pointed objections to Canada's energy investment rules.

There is even more direct evidence of U.S. pressure. U.S. President Reagan transmitted to Congress on July 25, 1988 a document entitled *Statement of Administrative Action*. This document which I quote from describes "significant administrative actions proposed to implement the FTA". Here is what it says about Canada's energy investment rules. In other words, this is what at the very start of the free trade deal the U.S. government was aiming to get from the free trade agreement's aftermath, and I quote: "The administration is committed to further liberalization in the field of investment. Subsection 304(a) of the implementing bill authorizes the President to negotiate an agreement with Canada on the liberalization of investment rules. Subsection 304(b)(2) sets out the objectives of further negotiation on this subject, including 'extension of the principles of the agreement to energy'."

• (1730)

In other words right at the start the American government was seeking as one of its key goals through further negotiations involving the free trade agreement to get rid of those very restrictions within the free trade agreement which maintained the oil and gas ownership restrictions on the energy sector. In fact, a law putting into effect this U.S. commitment to further changes was in place by September 28, 1988. That was nearly two months before the federal election took place in Canada which ended up approving the free trade agreement.

Section 304 of that law passed in 1988 states: "The President is authorized to enter into negotiations with the Government of Canada for the purpose of concluding an agreement to liberalize investment rules". It goes on to indicate that liberalization of investment rules should include "the extension of the principles of the agreement to energy to the extent such industries are not currently covered by the agreement".

There you have it. The U.S. government stated very clearly that one of its ongoing negotiating objectives on investment was the extension of the principles of the free trade agreement into other fields to the energy sector.

Despite the exchange of letters which our Minister of Finance at that time, the Minister for International Trade and the treasury minister in the United States, Mr. Baker, had appended to the free trade agreement, clearly a con game for the Canadian people was taking place, a con game which suggested to those of us in Canada that the energy industry was going to be exempt and this could be carried forward into the free trade election. People in Alberta could be told, people across the country could be told, energy has been safeguarded. Yet at that very same time the American government had already made clear in law that it intended to seek the elimination of those safeguards for our energy industry. The Americans were successful. The Conservative government abandoned our foreign ownership provisions and that is what this bill is about.

It is what is in this bill. It is also in the bill that the Conservatives have before the House, Bill C-89, which we will be debating later, to amend the Investment Canada Act.

This abandonment coincides exactly with the objectives that the United States had. Many Canadians are going to be shocked to learn that not only was this something which was taking place under U.S. law but in fact this was not an isolated example.

There have been all sorts of other areas in which the United States had set out its objectives for what it wanted to get further under the free trade agreement and which this government and Canada has subsequently put into affect.

The con game operated not just with respect to those supposed exemptions for energy appended to the free trade agreement on which Canadians when they voted in 1988 felt were somehow real. They were not real. Various other commitments which Canadians felt were there in the free trade agreement on the part of Canada were not really commitments to which this government had any real respect, any real commitment to honour.

• (1735)

For example, section 304(a)(2) of the United States bill pressed for changes to the eastern Canadian transportation rates, and the Conservatives acquiesced to this through Bill C-11, an act to amend the Railway Act. It received Royal Assent November 26, 1991.

The Conservatives have gone further. They announced they will soon make other changes that the Americans want, this time to the Western Grain Transportation Act.

Similarly, section 304(c)(1) of the U.S. legislation calls for negotiations with Canada to increase the minimum North American content limits on automotive products from 50 per cent to at least 60 per cent. Canada's chief NAFTA negotiator announced in August 1992 that Canada had acquiesced to that demand as well and the new limit is 62.5 per cent.

Section 304(b)(3) of the U.S. law calls for improved protection of so-called intellectual property rights. The Conservatives again have acquiesced by ramming through this Parliament Bill C-91, an act to amend the Patent Act, forcing Canadians to pay more for prescription drugs, which are costing them hundreds of millions of dollars each year in higher health costs.

All of these policies, which sometimes we have called the corporate agenda in Canada, represented not just the corporate agenda in Canada but specifically and laid out in detail the United States government's agenda in Canada.

We have had a government which, not just once but in bill after bill has marched these various demands that the United States wanted through our Parliament. It has marched them through, over our strong-felt, hard fought opposition, without any return whatsoever to Canada as a *quid pro quo* for these giveaways to the United States.

What we have here is a case of total capitulation which stands out as even more dramatic, given the fact that Mexico's energy industry has been permitted to escape from any similar attack in the NAFTA legislation which the three countries have agreed on.

I would make this last comment. This legislation shows how far our government has capitulated to American interests. The NAFTA legislation which will come before this House in the very near future shows even more fully this capitulation to American and corporate interests. That is why we oppose it. That is why we oppose this legislation as strongly as we do.

Mr. Ross Harvey (Edmonton East): Madam Speaker, I must say that the remarks of the member for Essex—Windsor are particularly instructive and describe the genesis of the bill we have before us today particularly aptly. I cannot help but think that, just as occurred to me, the hon. member found his time expired long before his argument was completed.

• (1740)

I was wondering if I might put to him the following question. Had he unlimited time, what further points would he like to make to the House today?

Mr. Langdon: Madam Speaker, I thank my colleague for what is for me a particularly welcome comment. I will not take it that I have unlimited time, but there were some final points I had hoped to make with respect to what passage of NAFTA would mean. I would like to put those points before the House if I could.

It is very important to recognize that not only is NAFTA a sign of the same kind of capitulation which this bill represents, but if NAFTA were passed as it presently stands, it would mean that new ownership restrictions would never be allowed in the future in the oil and gas industry.

Careful readers of the North American free trade agreement will note in annex I to NAFTA that a part specifically allows the retention of Canada's existing foreign ownership restrictions with respect to energy. One is driven, if one simply looks at that, to the bizarre conclusion that the government protected this particular part of Canada's sovereignty only to abandon it unilaterally with this bill. The truth, however, is somewhat more depressing. This exemption from the otherwise applicable provisions of NAFTA is almost certainly merely a formality.

In fact, during a February 9 briefing, departmental officials indicated that Canada listed this exemption in the NAFTA agreement because existing foreign ownership restrictions, i.e., those that are still in place until this bill is passed, violated NAFTA and would continue to do so until changed through legislation. Since legislation to achieve conformity with NAFTA could not be passed before the agreement was signed last December 17, that small identifying entry was needed. To our point of view, that rather crucial NAFTA exemption, and it is possible some others that are included in the NAFTA annexes, is merely temporary.

Conservatives in our view have already bargained away this important aspect of Canadian sovereignty. This bill is in front of us because it is an integral part of what this country has really agreed to as part of the NAFTA accord.

In any event, passage of the bill now before us will undermine the perceived need for the NAFTA exemption so we expect the exemption will be withdrawn from the legislation when it finally does come in its final form before the House.

What we have is a set of changes which I have traced, all of them tied to the free trade agreement, all of them tied to the Conservative project of making us a mere continental annex to the United States economy. I have to say this as someone who has studied the past and who believes strongly in the future of this country. But for us to so abjectly follow a series of government priorities set out not by ourselves but by the United States in its own free trade legislation is a sorry commentary on the honesty and forthrightness of this government.

• (1745)

To a significant extent this government has been following a course of action set down for it by President Reagan rather than a course of action dictated by the interests of this country.

We are in a pre-election period. There is much discussion about new leadership and a new generation taking power in the Conservative Party. If this new generation when it takes power in the Conservative Party does not jettison the abject sell-outs this government has presented to the United States over the past four and a half years since the free trade agreement came into effect then we will not have seen the regeneration of the Conservative Party. We will simply have seen a mock charade presented to the people of Canada.

I do not think this House should accept this bill. I hope that some of the leadership candidates in the Conservative caucus will get up and say the same thing because if there is to be any change from what this government has represented in the past, which is capitulation to the United States, then surely it will have to be reflected in a change in the approach that is selling out this important provision which has represented a major step forward in getting more Canadian control and ownership of the oil and gas industry in this country.

Mr. Harvey (Edmonton East): Madam Speaker, one more question for the hon. member if I may. He remarked at some length on the fact that the exemption the Canadian government entered into the NAFTA treaty in annex one, which allows us now to maintain ownership requirements in the energy industry, will in effect be a nullity after the passage of this bill. It is expected that the exemption thereafter will simply be withdrawn and that annex will be cleansed of that particular exemption.

It is my understanding that once that is the case then never again, so long as the NAFTA is in effect, will Canada be able to restore any level of ownership restriction on energy commodities or indeed on any other form of industrial production.

I would like to ask the hon. member if that is his understanding as well?

Mr. Langdon: Madam Speaker, this simply represents, as my colleague has so aptly stressed to the House, one more means by which the NAFTA and the free trade agreement in effect ties the hands of future Canadian governments. That is one of the reasons that we think it is absolutely crucial that the free trade agreement and the NAFTA become things from which we free ourselves.

We think it is very important, for the freedom of Canadian governments to do what is needed in the future to revive our economy and give us a new sense of direction and dynamism, for us to withdraw from the free trade agreement and not proceed with the NAFTA.

Of course if we do proceed with the NAFTA on January 1, 1994 it will then not be possible under the NAFTA to put new restrictions into place with respect to foreign ownership in any industry in which those restrictions do not at the present time exist. What we would have to do in that case would be to withdraw from the NAFTA itself.

• (1750)

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, I think it is fortuitous that we are having this kind of debate on March 17, as it is St. Patrick's Day which is a wonderful day not just for the Irish but for all those who wish they were. Nevertheless, as a result of certain events in Canadian political life St. Patrick's Day has unfortunately come to be associated with the relationship that developed between a prominent Irish Canadian and a prominent Irish American, namely, the current and now retiring Prime Minister of Canada and the former President of the United States of America, Ronald Reagan.

All those of us with a certain amount of Irish blood, and I count myself among those, are not able to sing *When Irish Eyes are Smiling* with quite the same gusto and uncritical enthusiasm with which we used to before the days of the shamrock summit and the spectacle of the Prime Minister and Ronald Reagan singing that wonderful song together.

It is the consequences of that unequal, subordinate relationship that we are debating here today. Either through naivety or evil, or however it came to be, one Prime Minister of this country set out to dismantle and Americanize what had developed into an independent country, not fully but nevertheless much more independent than it had ever been. It was developing into an independent country.

The fact that one Prime Minister could set out to dismantle and Americanize this country will go down in Canadian history, if 100 years from now there is anything called Canadian history and it is not just a sub-chapter in American history, as one of the most heinous political and economic crimes of the age from the point of view of those people who value what has been built up in Canada over the last 125 years.

We have a bill before us which was an open objective of President Reagan at one time, which was an open objective of the Americans for a long time. No other government, no matter how much it might have bent, wove or submitted in some way or another to American will and American power, ever dared to just openly say that whatever it is they want we will give it to them and give it openly, we will give it to them without ambiguity, as a free gift.

That is what we have here in terms of one of the final acts in the complete abandonment of any notion that Canada as a country and as a community should maintain any kind of control over who owns its energy resources.

It is amazing just how much can happen in 10 years. Never let it be said that politics is a long, drawn-out process, that it takes decades to do things.

• (1755)

It may take decades to do good things but it has taken less than a decade to do the very bad thing that has been done to the admirable ideal and the partially realized reality of a Canadian-owned energy industry. Ten years ago it was not treated as if it was some sort of romantic notion but as a partially realized reality, and many people hoped that it might even become more so.

Mr. Harvey (Edmonton East): It was an element of government policy.

Mr. Blaikie: It was an element of government policy.

It is hard to believe just how quickly some of the things that seemed plausible in 1983, which we might want to have improved upon because they had only been taken in half measure, now seem to be completely beyond the pale—to use an expression that I am told has its origins in Dublin and therefore is appropriate for today.

Why is this? We all remember the story, and again it is apropos for today, that when the colonel who owned the factory or the plant in Baie Comeau came to Baie Comeau once or twice a year there was the young lad from Baie Comeau, young Brian, who was always willing and able to sit on the colonel's knee, almost like David for Saul, and sing for the colonel.

The fact is that young lad who sang for the colonel over time developed a choir called the federal Conservative caucus, which has been singing for the colonel. Who is the colonel? The colonel is the symbol of that absentee American landlord. He is the symbol of the Canadian future that has been visited on us in the last eight or nine years and is about to be visited on us even more, thanks to the North American free trade agreement.

The Prime Minister has been singing for the colonel all his life and he developed a choir around him called the Conservative caucus, which has been singing for the colonel these last nine years.

I have always thought that there are two very different views of Canada. That is the difference between the Prime Minister's hometown and mine. I also come from a company town. It is called Transcona. The company there is the CNR, which is a publicly-owned company, a Crown corporation.

I have felt ever since the day that the current Prime Minister was elected Prime Minister of this country that my kind of town, my kind of Canada, has been on the endangered species list. In my kind of Canada we were not ashamed to work for a publicly-owned company and we were proud of the work that all of us—uncles, aunts, nephews, cousins, and grandfathers—who worked for the CNR did.

We did not know we were part of what was wrong with Canada. We did not know that we deserved, during nine years of Conservative government, to be hunted down like animals and made extinct. That is what this government has done to that kind of Canada through deregulation, free trade agreements, privatization, contracting out and all the other ways they have said to the hundreds of thousands, indeed millions of Canadians who have worked in the public sector over decades that their way of living was what was wrong with Canada, that that is something that has to be eliminated, that an army of people with masters of business administration have to be hired to eliminate these people who have worked for CN, Air Canada and the public sector in general. Part of what was wrong with Canada was these institutions, which the Tories have so diligently set out to get rid of and destroy.

• (1800)

Two different views of Canada, Mr. Speaker: The view from Baie Comeau where everyone pays homage to the absentee American landlord and the view from Transcona where we worked for the people of Canada through a company that was owned by the people of Canada, and we never had to sing for anybody, and we still do not sing for anybody that we do not choose to.

The Prime Minister may be retiring but the Canada that he leaves behind is a model of that town and that context that he grew up in. I say this with apologies to the people of Baie Comeau, but it is true nevertheless.

We in Transcona and other places like it will not forget the Prime Minister. We will also not forget who was part of his hunting party, who tried to run us down, who tried to find those people who worked in those kinds of places, wherever they might be, and eliminate their jobs and give them to so–called superior people and superior institutions in the private sector or, worse still, to private sector institutions or companies or multinational corporations in the United States of America and now Mexico.

That is what is wrong, as far as I am concerned, with what I have seen over the last nine years of this Conservative government.

This bill, as has been said by my colleagues more ably than I can say it and certainly in greater detail, is part of the whole Canada–U.S. FTA–North American free trade agreement agenda. The shame of it is that it is part of what the government is willing to do in some ways outside the agreement. It is like the changes to the laws affecting the production of generic drugs in Canada. It is part of the agreement but it is not part of the agreement; it is not in the agreement because the government does not want to own up to the fact that it is part of the agreement.

The government give the illusion of sovereignty here. It says no, it has not been forced to do this to itself, it freely does this to itself. It is like someone who does something because, although nobody has a gun to their head, there is a guy in the next room with a gun to their head who has promised them that if they do not do it he will come into their room. It is shameful.

It is misguided. Just take it on the economic logic alone, that foreign investment is needed, foreign investment creates jobs. I listened carefully to the Minister for International Trade earlier, the former Minister of Finance, when he said "yes, foreign-owned companies do not have the same record of keeping capital in the country as Canadian owned companies, but that is the price you have to pay for their investing in Canada in the first place".

The question has to be asked, as it should be with other policies that have been introduced by the same minister: Did the policy work? Do these kinds of policies work? Do they actually have the effect that the government intends, regardless of questions of sovereignty or of Canadian control or ideological and moral concerns?

• (1805)

Do they actually work? Is it even an internally coherent argument economically? Often it is not. Often if you look at the performance of these particular measures, they do not deliver. It does not happen.

The analogy that I would like to use on that is something about which I had an earlier exchange in the House with the Minister for International Trade, a policy that he brought in when he was the Minister of Finance, the capital gains tax exemption. There is an example of a policy that was designed to do a certain thing. It was designed, as the minister said earlier in the House, to stimulate small business, stimulate investment and create jobs, but did it do that?

Some people have had a good look at that policy. One person in particular has written an article called "The Wilson Legacy", a man by the name of Peter Myers. He calls that capital gains tax exemption the biggest budget goof in Canadian history. He says that only $6 billion out of the $20 billion that was forfeited in terms of public revenues ever went for the purpose that the minister had in mind when he created that capital gains tax exemption.

I am not even sure that he should have created it in the first place, even if it would have worked, but let us just take the minister in terms of his own goals. In order to stimulate $6 billion worth of investment, theoretically speaking, he forfeited another $14 billion in the form of tax exemptions to people who were very quick to realize that this was a real giveaway because it did not just apply to new investment in business. It applied to the investments that they already had made. They would be able to sell those shares or whatever capital gain they realized on those shares that they had bought prior to the budget of 1985. They claimed that capital gains tax exemption after the budget of 1985 and made a killing. No new jobs created there, no new investment.

The same with real estate speculation, all kinds of people taking advantage of that lifetime capital gains tax exemption of half a million dollars to roll over properties, to flip properties, to buy properties, for the specific purpose of selling them again after their value had increased to take advantage of speculation, as it is called. It does not create any new jobs, except maybe for the odd real estate agent.

I raise this as an example, albeit not one in the energy sector, of the way in which this government has so badly mismanaged the economy, even in terms of its own goals.

I think that is true with respect to what the government has done in the energy sector. I think it is true with respect to what has happened as a result of the free trade agreements. What you cannot get anybody to do is to admit that they were wrong, to admit that it has not worked out.

They are more content to kind of look at what has happened to the economy of Ontario and say: "Well, it is either a recession or it is the NDP government". It cannot be the free trade agreement. It cannot have anything to do with the most significant economic policy decision we have made in this century. It could not have anything to do with that.

Unfortunately, the conventional wisdom tends to accept that kind of language. We talk about the recession. We talk about the economic downturn. This is not a recession. This is a complete restructuring of the North American economy. Every time anybody uses the word recession, they are using language which does more to conceal than to reveal what is actually going on in the Canadian economy and in the North American economy.

That is one of the things to which I think everyone should give some thought. The minister of trade said to the hon. member for Edmonton East, which I thought was a kind of History 101: "Well, if it had not been for foreign investment in Leduc in 1947 there would be no oil industry". All right, fair enough. It may not be entirely accurate but certainly that is the myth in Alberta. I have heard many Alberta MPs, particularly Gordon Taylor, and if I heard him once I heard him 100 times say: "When we wanted Canadian capital there was no Canadian capital. Nobody would invest in Alberta. The Americans came and invested in Alberta and that is why we have an energy industry today". Fair enough.

• (1810)

However, over time many Canadians in all parties came to see that the degree of foreign ownership of an already established energy industry was something that was of concern. Over time—

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I too deeply regret that the hon. member's time has expired. I think it is a terrible shame. Therefore, I would pose to this hon. member the same question I posed earlier to the member for Essex—Windsor which, in a nutshell, is: Had the member unlimited time in this House to speak how would he carry on his remarks at this point?

Mr. Blaikie: Mr. Speaker, if I had unlimited time I would say the following. I would pick up just where I left off, talking about Leduc and the fact that it is illegitimate to use the historical fact that American investment was needed in order to get our energy industry off the ground in Alberta because of a lack of Canadian capital to justify the wholesale abandonment now of an industry that had the potential not so many years ago of being significantly Canadian owned.

That goal has been systematically abandoned through a variety of measures; through the privatization of Petro-Canada for instance which has to do not only with Canadian ownership *per se* but the form of Canadian ownership, whether there was to be a significant element of public ownership or not, and also through all the other measures that we have had before us including this bill that we have before us today.

Mr. Harvey (Edmonton East): Mr. Speaker, one of the things that the hon. member mentioned during the course of his remarks was his contention that this bill was in fact free trade implementing legislation, that this bill was in some senses one of that array of bills that has been already placed, is being placed and will continue to be placed before this House, all of which have as their intent the implementation of various parts of the North American free trade agreement and indeed some residual parts of the Canada-U.S. Free Trade Agreement.

I think, for example, of such things as the act to amend the Railway Act, Bill C-11, which received Royal Assent on November 26, 1991 having previously passed this House. That bill came before this House as a direct consequence of U.S. lobbying that was authorized in its original free trade implementation legislation in the United States in 1988 which in its section 304(a)(2) called upon the American President to press for changes to the eastern Canadian transportation rates.

The President, being a good American, apparently pressed for those changes and son of a gun if he did not get them in Bill C-11, the act to amend the Railway Act. The Conservatives have actually gone further by announcing that they will soon make other changes that the Americans want in these regards, this time to the Western Grain Transportation Act, but that is another story.

Similarly, that same American law of 1988, the American law that implemented their part of the free trade agreement, in its section 304(c)(1) called for negotiating with Canada to increase the minimum North American content limits on automotive products, and I quote that American law: "from 50 per cent to at least 60 per cent". Son of a gun, if Canada's chief NAFTA negotiator, John Weekes, did not announce in August of 1992 that Canada had acquiesced to this demand as well. In fact, Weekes ceded it. The American legislation called for an increase of 50 per cent to 60 per cent. Hell, we are good folks. We will give them 62.5 per cent.

• (1815)

I am not at all certain that it will come as a surprise to Canadians to learn that the bill before us today achieves in legislation precisely what the American Congress directed the American President to achieve in Article 304(b)(2) of that same 1988 American act in which the American President was directed to get the Canadians to get rid of their ownership restrictions on petroleum, oil and gas. He has achieved it. Ronald Reagan lives in the Canadian House of Commons. How about that.

I would just like, if I may, to put to my hon. colleague this question. Is there anything that an American President could request of this government and its array of Mulroney choristers that it would not sing? Is there any tune so base, any melody so disharmonious or any accompaniment so vile that it would be deemed past him?

Mr. Blaikie: Mr. Speaker, I thank the hon. member for that question.

The fact is that many times I hoped that I had seen the limit of how far this government would go to meet the multinational corporate agenda which so often coincides with the American agenda. It always continues to surprise me in a most unfortunate way.

I must say that I am glad to see that some members of the government have come back into the Chamber. I thought for a minute perhaps that the government had resigned or that it was serving dinner in the lobby. Actually for a significant amount of time there were no government members present.

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired. Debate. The hon. member for Oshawa.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I wanted to participate in the debate, though I must say that part of what concerns me about this bill is that it typifies the way in which this Parliament functions or does not function.

As I read through the bill, there appeared to be fairly insignificant changes because the printed bill makes reference to removing a few sections of some acts and altering some definitions which on the first reading do not appear to be of much significance at all. The bill, as it is printed, does not really tell you very much about what it does.

If one was in the Chamber this afternoon anticipating the Minister of Energy, Mines and Resources to lead a spirited debate on this bill, one would have been disappointed. If one was expecting that same minister to be present during the debate on the bill and to answer questions from members on all sides or that the government would have appointed an official minister for the day to carry the bill, then one would be hard pressed to find out who that is. It kind of typifies the parliamentary process and where we are. Here is a bill printed which in essence does not appear to do very much. One really has to dig into the reasons behind why the government would introduce this bill to get much of a sense of what it is trying to do with it.

I was watching earlier in the afternoon. I take it the Minister for International Trade was here for a little while. He made some reference to what I thought was a rather good speech by the member for Edmonton East who at least gave our perspective on legislation of this nature. He stood up and said these words, I believe: "ideological garbage". There was not a member standing in this place saying: "I disagree with your point of view". There was not a member standing in this place giving his reasons why he might disagree with an opposition member. It was a senior minister of the Crown whose eloquence extended to the use of the term "ideological garbage".

• (1820)

Maybe that is one of the reasons why people across Canada say: "If that is the very best argument that can be mustered by a senior minister of the Crown why do we not toss them out and go to the local beer hall where we can at least get some energy behind that kind of language?"

I was interested to note that a little later on in the debate the same minister of the Crown was interrupted. I could be wrong, but it did appear to me as I watched that little interjection transpire that this same senior minister of the Crown was not really aware of what bill was before the House this afternoon and had to be corrected. That's rather unusual.

I think it says a little bit about the parliamentary process as this Parliament grinds to a halt. As well, it says a whole lot about ideology because as one reads through this bill and one understands where it fits in this whole free-trading process one really has to understand that if one examines the numbers there is no great crying financial reason to do this. There is an ideological reason to do this. There is a belief in free trade, almost a blind belief in free trade, that would drive a government to do this.

There are commitments that are perhaps not written on paper, perhaps done behind closed doors and perhaps done during the course of negotiations on things like free trade agreements with the United States that begin to appear in this type of legislation. On the surface it does not make sense. More money went out in the last decade than came in for investment purposes.

We seem to be levelling off in fact and perhaps changing just a little bit in terms of who owns the petroleum industries in Canada.

I admit to being not very ideological but I would say this as an absolute statement. I believe that the resources of this country do not belong to any private or public corporation. However old-fashioned a notion this might be, those resources in the ground, on top of the ground or in the sea, belong to this nation. It is true. We have always developed them and brought them into use through some myriad of schemes of private development and public development. We have tried almost every kind of joint venture that one could think of.

However, let us get to the basis of all that. The reason why this law is before the Parliament of Canada is that in a legal sense the resources and the extraction of those resources belong to the people of Canada.

Let me introduce an element that has not been talked about very much in this Chamber this afternoon. If one came in through my industrial riding of Oshawa and asked people whether they were getting good value for their dollar in the petroleum sector and whether their government was doing something good for them, then one really could not muster much of an argument about price for the consumer goods that my citizens use. In order to do that, oddly enough, one would have to go to the United States and talk about natural gas in California.

Most of the people who I represent are thoroughly confused about how American companies can come into Canada, extract resources from distant points in our land, transfer them way down into the United States and sell them cheaper there than they can sell them here in Canada. That befuddles a lot of us. I pretend no insider knowledge. I pretend no understanding of it all. I simply say that it confuses the hell out of me too.

I do not understand that. Is there a government in place to protect both our resources in the first instance and to serve the best interests of our Canadian consumers? Second, does it provide good, strong economic growth machinery? If those were the concerns of the Government of Canada, they are surely not represented in this bill.

This bill it seems to me represents an ideology at work that says flatly that only the private sector can do anything and the best thing a government can do is get out of the way. It says that when one engages into large, multinational free trade agreements, such as is now being proposed between Canada, the United States and Mexico, the best law is no law at all. Governments should just get out of the way. In some magical way the private sector will do what no one else in the world can do.

• (1825)

I do not believe that for a moment. I think that is the height of stupidity. All across the section of Canada where I live lie all of the ruins of that kind of political stupidity, all of the closed factories, all of the small businesses bearing that hardship, all of the local economies that suffer because somebody somewhere else in the world has made an economic decision which destroyed their local community. I choose my words carefully here because there are many small towns in southern Ontario whose local economy has been destroyed by ideology, by free trade and by this kind of legislation.

I am sure that before there is another election this current government will be back into those small towns announcing a grant for this and a cheque for that and a subsidy for something else. Would it not have made more sense not to destroy the economy of small towns? However, one does that when one enters into a free trade agreement which in theory does somebody some good but in practice ruins the economy of a local community. In a small town, closing down the one furniture factory, the one auto parts supplier and the plant ruins that local economy.

It is not just the people in that plant who suffer. It is everybody else in that community. Every person who contributes to the support of public education in that community gets hurt. Everybody who contributes to policing in that community gets hurt. Everybody who supports the corner store gets hurt. One has damaged irreparably the local economy.

Each small town from all across Canada has its own little structure. It has its own little economic pattern and growth. When one intrudes on that in a negative way, such as what this government did with its free trade agreement, one intrudes into every single household there. You invade every single pocketbook.

Perhaps it is true that the only damage one can see is a factory that has closed and gone to Georgia, Alabama or, if this government has its way, a little farther south into Mexico. Maybe that is all one can see with a first look, but if one stops to listen and to look around at the faces of the people in those small communities, one soon understands that one has damaged every single one of them.

It is part of this kind of legislation I suppose that somebody somewhere fervently believes that a big sector of our economy like the petroleum industry in western Canada really has to have massive investment from outside our own shores. Setting aside for a moment whether that is a good thing or a bad thing, is this bill going to do that?

In my view, it would be absolutely and totally nonsensical to believe for a single moment that this legislation is going to bring in droves of investment from offshore. That is not going to happen.

A former minister of energy of this same government sat before a parliamentary committee and said so. So what is this bill about then? It is about ideology. It is about somebody's political sense and upbringing over their common sense. It just kind of squashes common sense.

As I heard a couple of other members say, it is not at all unlike the reference that was made to a little place called Schefferville in Quebec where the current Prime Minister rose in his own magnificent way to become the Canadian head of that company. He sought at one point in time to virtually close the entire community because the American company, Iron Ore of Canada that had its Canadian subsidiary, decided that operations should cease there.

In a blink of an eye they ceased without question, without any malice or without anybody being mean or nasty. That is just the way that free enterprise operates. That is just the way that business decisions are made.

Who then picks up all of the ramifications of that? In some small case I suppose the private sector pays its price. The private sector in my community and in many communities now is downsizing. That is the polite word to use. It is not necessarily that those production facilities are not useful any more. It is not necessarily that they are not profit-making any more. It is just that there is no real reason to have them.

If General Motors of Canada has production capacity in New York State or in Michigan and we have the same kind of capacity in my home town of Oshawa, there is no reason to have it stay in Oshawa any more. Move it. If the capacity is somewhere else, take it there. If you have an axle plant in St. Catharines that makes a good product which makes a profit—which General Motors itself says it will continue to buy, source its part from that exact same plant—will shut it down because it is in the process of doing something else.

• (1830)

I know some members will never grasp this notion but sometimes the work of the private sector runs against the better public interest. That is kind of an outlandish statement and I do not really mean to upset anybody, but not all the time does the very best interests of the private sector run smoothly along with the best interests of everybody else. In my view that is where a government is supposed to step in.

It is fine for all of us in all political parties to have some kind of basic ideology and political belief, there is absolutely nothing that anyone here in this Chamber would want to do to alter that. But when that ideology gets in front of all other common sense, surely then the ideology should step aside.

This bill in many ways represents what is wrong with government in Canada for me. I would expect, as somebody who has been in politics for 20 years, that I should be able to read a bill and tell everyone, just by reading the bill, what the bill is about. I do not believe it can be done with this bill. You should not have to run off and research all the background of free trade agreements and of the existing state of the petroleum industry to make any sense out of printed legislation. I do not believe that is a reasonable thing to do.

If the government wants this bill, it should have the minister front and centre every single moment that the legislation is before the House of Commons. That is not true here either. I do not want to get carried away with this for a moment and all of us do understand there are pressures for members of this House to be in 19 different places all day today. All of us share that pressure. I do.

But if a government feels that this type of legislation is important it ought to have its members here. It surely should. It ought to have ministers of the Crown here who at least know what bill is before the House at any given moment. That is my version of how a Parliament is supposed to work; a minister responsible for a piece of legislation carries it in the Chamber.

All of us understand that there are times when the minister cannot possibly be in the Chamber. To me that would say to not proceed with the legislation at that moment. If the minister wants it, it is his or her obligation to be here to carry it through, to explain to all the other members why the government thinks this is an important initiative.

We are going to have some more of these arguments because I believe more of what will happen in the next little while in this Parliament, if it stays in business much longer, is going to be brought out directly to the free trade agreement. I believe that free trade in its many forms—with the United States, with Mexico, with whomever you want—is going to dominate our discussions here for a little while. It ought to. It is the substantive issue that has robbed us of jobs in communities that I visit almost every month as I go around my part of Canada. It has hurt us. This kind of legislation has hurt us.

If there is an argument which says that this bill is going to do something good for Canada, I have to tell you, Mr. Speaker, I have watched the entire debate in this Chamber this afternoon and I have not seen a government member stand up and do that. I have seen government ministers get up and insult somebody on this side. I am not too meek and mild about this, he can get up and insult me all he wants, but it has to be understood that when he does that I will give him back in kind whatever he has to say. However, that is not the relevant point; the relevant point should be that if the government believes in this law, get the minister here, marshal the arguments and make them.

I heard the minister of trade ridiculing, I believe it was the Liberal critic, for being on both sides of the issue. The minister of trade obviously does not understand the Liberal Party of Canada. That is their forte. That is what has made them strong. What has kept them going for so many years is the magnificent ability to say: We believe in the left and we believe in the right and if you don't like this policy we have got another policy over here. They change magnificently. Now they await the coronation, not of Kim Campbell as the leader of the Tory party but the return of their rightful place in Canadian history. I guess when the Tories have really loused it up very bad, people should by nature appoint the Liberals as the next government. We may be in for a treat. We may well see that age old process in Canadian politics about to get changed.

• (1835)

I believe that members on all sides have an obligation to do things which perhaps it is not fair to ask the Canadian people to do. When we see a bill like this which on the surface does not appear to do very much, it is our job to find out exactly what does all that fine print mean, exactly how does that translate in my own constituency in the part of Canada that I represent and in fact to the whole of Canada's economy?

I believe this bill does some damage. The free trade agreement which is the instigation of this kind of legislation has done us more damage. The government that has brought us to this stage in our parliamentary process has done us even more damage. A curse on all of them.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I would like to start by welcoming the minister back to the House. We missed ya Bill, we missed you somethin' fierce.

Mr. McKnight: Unfortunately I was able to watch it all.

Mr. Harvey (Edmonton East): I would like to pick up on some remarks that the hon. member for Oshawa made concerning the Liberal Party as he was concluding his address. I must admit there is very little that has surprised me in the debate this afternoon.

I have been following this bill for long enough now that I figured I had pretty much everybody's position pegged, but when the two—and there have only been two—speakers for the Liberal Party spoke this afternoon and both, not without a bit of hemming and hawing, a bit of tacking to the right and tacking to the left, finally came out and said they are going to support this bill, I was surprised. I was shocked.

I have been listening to various members of the Liberal Party for a long time now saying: "Oh no, no, we are opposed to free trade. We are opposed to the NAFTA. We are opposed to the Canada-U.S. Free Trade Agreement and by God you just give us the chance and we are going to renegotiate it and make it swell".

Today I hear again the only two spokespersons for the Liberal Party saying: "No, no, this bill is okay. This integral element in free trade is fine by us. Hey, just let her whistle through there folks". I must admit I have difficulty squaring this.

I was going to ask the hon. member for Oshawa, who as a parliamentarian is much my senior and whose experience of the Liberal Party which of course is in Ontario to be found in its essence far exceeds any such experience I might enjoy, if perhaps he could speculate on the meaning of the apparent decision of the Liberal Party to support this odious little piece of legislation.

Mr. Breaugh: Mr. Speaker, I am going to have to have some words with my hon. colleague when he refers to me as being that much older than him. We will have that outside.

Mr. Harvey (Edmonton East): Senior in parliamentary experience.

Mr. Breaugh: Senior in parliamentary experience. He is trying to weasel out of it now.

I want to note that I believe we have flushed the minister in the Chamber, as the saying goes—it is a parliamentary term—and that is not bad. We are going to flush him just a bit further.

Mr. McKnight: If it bothers you I can do without this.

Mr. Breaugh: Okay. The hon. member asked me to try and explain some of the comments that were made by Liberal members somewhat earlier. I guess the little parallel which I could offer him as being the essence of the Liberal Party is that a Liberal is one who feels quite comfortable with the notion, as did David Peterson did when he ran as premier of Ontario, that he would be violently opposed to free trade with the United States. Shortly after the election he became very comfortable with free trade with the United States.

In order to understand how the Liberal Party functions one has to understand raw political desire for power and it really translates to this in very simple terms.

An hon. member: Is that Bob Rae's problem?

• (1840)

Mr. Breaugh: Whatever needs to be done before an election is done. If it is necessary to say they are for free trade, they will say that. Whatever is expeditious after the election is also done. It is their ability to separate those two things. Where you think there is a right and left, they see neither. Where you search for consistency, they are never hampered by that niggling little concept that one should think through a position and stick with it. If there is some cause however fleet, however minute, which bumps them off a position, they are happily bumped.

If the hon. member is somewhat confused, as I noticed the Minister for International Trade was, he has certainly been in this Chamber a lot longer than I have. He could not figure out how the Liberal Party could be in favour of this legislation and against free trade. The problem is that he might just as well have said: "I cannot figure out why the Liberal Party is against free trade and against this or for it and against this".

These words being for something or believing in something are totally alien to the whole cause of Liberalism in Canada. They have one single-minded goal. Whatever is necessary, whatever has to be done to get them in their rightful place, they will do.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I was undecided whether to take part in this debate. Although it is an important one, it is a debate over Bill C-106 by which the government undertakes to abandon completely the goal that the Canadian people, and at one time the Canadian government, have had for some time of maintaining and increasing our control over the petroleum industry and for that matter, over other industries as well.

When I listened to the debate, and I have heard practically all of it, I felt that what was said by my colleagues from Edmonton East, Essex—Windsor, Winnipeg Transcona, and now from Oshawa, was excellently said. Their command of the subject and of the rhetoric was far beyond mine. However I realized there was at least one point that could be added in our opposition to this bill. I wish to deal with that one point now.

This is a point of moral teaching. It was well made about one decade ago by the Roman Catholic bishops of Canada. I will quote very few words from them. It is in their document *The Ethical Reflections on the Economic Crisis of 1982* in which they said that economic recovery would have to have three goals. "The needs of the poor must take priority over the wants of the rich. Secondly, the workers' rights must come ahead of the maximization of profits. Thirdly, the participation of marginalized groups must take precedence over the preservation of the system which excludes them". That is a very important point stated three times.

The Acting Speaker (Mr. Paproski): Order, please. The hon. member for Willowdale, I would like to see the speaker if you do not mind.

Mr. Heap: Thank you for your judgment in the matter. This point which is the same point stated three times over for clarification by the bishops is a point which applies very specially to the indigenous peoples of the western hemisphere, the ones who were conquered by Europeans starting five centuries ago and are still held in subjection in practically every country if not every country of the western hemisphere, except in the Caribbean where they were exterminated to the last man, woman and child. They are not in subjection there. They have been replaced by their killers.

• (1845)

Those people are still here in many parts of North America, including Canada. The Pope visited here in the last decade. When he went to the north, to places like northern Alberta and the Northwest Territories, he made a point of speaking particularly to these people and reminding them and us of their rights as human beings created by God.

It is not the point made only by the Roman Catholic church. At this time of year there is a program mounted by several of the church bodies in Canada called Ten Days for World Development. There is the Anglican church, the Evangelical Lutheran church, the Presbyterian church, the United church and the Canadian Catholic Organization for Development and Peace. For good measure they are also associated with CIDA, the development arm of the Canadian government.

During these 10 days for world development presently and at this time in other years for 20 years now, they have pressed the point that development and economic recovery and economic health must rest on respect for the people at the bottom of the ladder rather than higher respect for the people at the top of the ladder.

This has been developed this year into three restatements of the principle. One is that sustaining people's lives and cultures within their communities, that is small-scale operations, regional self-reliance, local ownership and control, must take priority over supporting the profit objectives of transnational corporations. This speaks directly against Bill C-106.

Yes, there is oil as there are many other valuable resources in our country. Yes, it can be developed. But to say it can only be developed by the most powerful corporations in the world which are mainly centred in the United States is simply not true. We can do things in a more co-operative way. If we do not do things in a more co-operative way then we suffer. It is not just the people at the bottom who suffer such as the native peoples and the poor people of Canada, but the whole of our society suffers. We all suffer if we neglect the people at the bottom of the ladder, if we neglect local control, regional self-reliance and instead in a lazy or a defeated sense hand over control to someone somewhere else in the world.

The second principle concerns conserving renewable resources, that is plants, water and forests, and also non-renewable resources, such as agricultural soils, oil and gas. Conserving them for future generations must take priority over selling them for short-term profits.

One of the remarkable statements that sticks in my mind is that of the former Prime Minister of Canada, the Right Hon. Pierre Trudeau. He was in a rush to sign some earlier agreement with the United States about control of oil and said that we had better sell it to them. He thought we had oil for hundreds of years ahead. Somebody had sold him a story that we had so much oil we could not possibly use it up in a century. He said we had better sell it to the Americans while they were still in the market to buy it. As though some day nobody would want to buy our oil. Within a very short couple of years, it was found that we did not by any means have such unlimited supplies of oil.

• (1850)

We are now in the business of using up the easily available supplies and moving to places like Hibernia. There we have to put in billions of dollars to get somebody else to invest money to take the oil out of the ocean and take it to the United States. We will not get the oil. We just subsidize the foreign investor who is going to get it.

I believe that the teaching of the churches based on the teachings of the Christian and Jewish tradition is that we should have some regard for our children and our grandchildren. They are going to need some of that oil. We should not be in such a hurry to sell it all off as fast as it can be extracted.

The third principle is that all citizens should participate in setting their country's social and economic priorities and in deciding how trading agreements can complement these. Economic or social agreements must not limit future decisions for the common good.

It has been pointed out by several of my colleagues that this bill is essentially a part of the same action as the North American free trade agreement. If this bill is passed and if the North American free trade agreement is passed, governments of Canada will be prevented from responding to the citizens of Canada if Canadians ask for greater control to be restored over the oil industry.

The Government of Canada will not belong to the citizens of Canada. It will be an instrument of the oil companies in the United States or somewhere else if the United States should lose control of its multinational corporations.

What I am saying is that the teaching of our major churches in Canada and the 3,000 years of religious tradition behind them warns against giving away control of our oil industry for nothing.

I hear somebody snorting as though he did not think it was for nothing. In fact we have not seen in the history of the past 10 years the benefit of having these oil rights and control sold off to other countries.

What we have seen, certainly in a comparable case in Ontario is the disaster of having foreign companies own so many of our manufacturing industries. Once the tariffs were said to be taken off or in the process of being taken off, we lost hundreds of thousands of jobs in the manufacturing industries because we had not had the good sense to establish our own control over our own jobs.

Canadian citizens should be able now and in the future to make the decisions about our oil industry, about our forestry industry, about our agricultural industry, about our manufacturing industry, about our transportation industry, about our communications industry. We should not sign away our birthright, even if somebody is willing to pay us money for it at the time. The money loses its value much faster than the resources and the infrastructure of our country.

It was about 2,800 years ago in Israel that a person stood up in the marketplace in Samaria, and said: "Do not sell the poor for silver; do not sell the needy, the desperate people, for a pair of shoes". This was the prophet Amos. The rich people of his time did not pay any attention to him. Their country has long since disappeared. Others are replacing it.

Others still have to learn the same lesson: If we desert the poor and if we sell off the birthright and the patrimony of our country, then the whole nation will suffer along with the poor. Therefore, I urge that this bill be defeated.

• (1855)

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I was listening with interest to what the member for Trinity—Spadina said. One of the churches he named is the one I belong to. Many members in this House belong to many of the churches he named. Is he suggesting that the churches of Canada are opposed to this bill?

Is he suggesting that the member for Western Arctic, who stood up and supported this bill, was somehow misrepresenting the views of her constituents? They desperately need jobs in oil and gas exploration, jobs in oil and gas servicing, jobs in mines, all kinds of jobs.

Is he suggesting that the churches of Canada want people to live on welfare or social assistance?

As the hon. member is an ordained minister, I hope he will speak carefully in reply to those questions. I hope he will not suggest that the churches of Canada are somehow lining up outside the Parliament Buildings in opposition to this bill. As a member of one of those churches I think that the churches of Canada believe overwhelmingly in the importance of each individual person, each individual soul if you like. They want to see people work. They want to see people be able to have dignity which comes from honest labour. They want to see all kinds of things.

I am not sure whether I understood the hon. member correctly, but I hope I did not. However, for the member to suggest that anybody belonging to a church, as many of us do here, should somehow be against this bill, I respectfully suggest is not honestly representing the views of any of the churches he was trying to represent in his arguments.

Mr. Heap: Mr. Speaker, I thank the hon. member for his very direct question. He expressed a hope that I was not saying what he thought I was saying. I will do my best to make him happy by explaining again what I did say.

What I said was that the principles published by the authority of the church I belong to, the Anglican church, and the other ones I mentioned, do not mention Bill C-106 and do not specifically mention any oil companies. They do speak against giving the priority and the power to the transnational corporations in preference to the local people, whether it be the local people of Canada, the local people of northern Alberta, the local people of the Northwest Territories or whatever region.

The unwarranted leap is being made by the hon. member when he suggested that the only way the people in the north can have jobs is by selling our birthright to the transnational corporations. The hon. member is making a completely unwarranted leap.

There would be jobs if this government followed a different policy. Instead of funding the transnational corporations with multimillion dollar tax breaks, it should fund small business and not by taking the money from the unemployment insurance or from the unemployed. The money should be redirected from the transnationals to the small business people, not to the land speculators as was done by the former Minister of Finance with his tax exemption for capital gains. It should be done by much more carefully studied and publicly supported programs of aid to small business. If this government followed that policy then those people would have the jobs the transnational corporations have not and will not give them.

I ask the hon. member to consider the basic principles which I quoted from the document published by Ten Days for World Development. I ask him to consider those principles and see how they bear on this bill. The churches have not undertaken to lobby against any particular legislation in this matter, but they have given us some clear, moral guidance.

The Acting Speaker (Mr. Paproski): The hon. member for Beaches—Woodbine will be the first one to be recognized when this bill comes up again.

• (1900)

It being seven o'clock p.m., pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

FISHERIES

GRAND BANKS

The House resumed from Thursday, February 11, consideration of the motion of Mr. Mifflin:

> That, in the opinion of this House, the government should take immediate action to extend custodial jurisdiction for northern cod over the nose and tail of the Grand Banks.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise to support the motion of my colleague from Bonavista—Trinity—Conception. I just want to make sure that everyone is aware that on February 11, 1993 my colleague put a motion before this House that reads as follows:

> That, in the opinion of this House, the government should take immediate action to extend custodial jurisdiction for northern cod over the nose and tail of the Grand Banks.

This is a very commendable motion. It shows the guts that the Liberal Party has in pursuing the extension of our functional jurisdiction over the fish that are on what we call the nose and tail of the Grand Banks.

One has to remember that in 1977 a Liberal government extended the 200-mile fishing jurisdiction over our coastal waters. This was not done easily, but our government took an initiative and it went after that. At the same time, it did say to the countries: "You can participate in the stocks that are excess to our Canadians needs". One of my big disappointments has been that the provincial government of Nova Scotia and the other provincial governments have not gone out to try and market the fish caught by foreigners within our 200-mile limit and outside.

That fish does not go to the U.S. It goes to places like Cuba, Japan and eastern Europe. We have not made a consistent, hard effort to develop the markets so that our companies process the fish or that our boats catch that excess fish. We have not since 1977 made much more than a nominal attempt.

It is one of the faults of the Government of Nova Scotia that it has not taken this upon itself because it is responsible for marketing. We have empty plants. At the same time that we declared our 200-mile exclusive fishing jurisdiction in 1977, we agreed that the Northwest Atlantic Fisheries Organization would be set up. That was to manage the stocks of the Atlantic beyond our 200 miles.

What has happened in the interim is that as of 1986, which is a sad state of affairs, the European Community and others have overfished the nose and tail of the Grand Banks. We in Canada are in a unique situation. It is our continental shelf. We have control of it as our continental shelf, but we do not have control of the waters above that continental shelf. We cannot exercise that jurisdiction, even though it is the same stocks that we fish on the other side of the 200-mile limit, within our 200-mile limit.

We see countries overfish the quotas set by NAFO, the Northwest Atlantic Fisheries Organization. We see them overfish. Our own fishery is in trouble with the same stocks, in so much trouble that the minister of fisheries declared last July that there would be a moratorium for at least two years, if I am not mistaken, for the spawning biomass of northern cod stock to recover quickly to long term average levels. This has been devastating for our community and particularly in Newfoundland where communities are so dependent on those stocks, whether inshore or offshore. Yet they have sat back and watched members of some of the European communities in defiance of NAFO quotas continue to fish and overfish the stock on which there is a moratorium.

• (1905)

The minister of fisheries whom we have heard in this debate is now making arrangements with the European Community for them to abide by our moratorium or to abide by whatever the governing body, whichever it is, is going to say.

There are no fish. When the fish come back, are the people who are taking the stock going to come back and take to the extent they have taken in the past? We expect the stocks to rejuvenate. We in the Liberal Party want a government that is going to extend our custodial jurisdiction over the fish that come from within our continental shelf so that we can protect that stock for future generations.

Many of my colleagues have gone to Europe many, many times to speak to the Europeans. It did not help. The only thing that has stopped them is that there is no fish. I think that before the fish come back we here in Canada had better take the same effective measure we took in 1977 when we declared our 200-mile fishing zone. We have to go beyond that and extend it to the rest of our continental shelf that is outside our 200-mile fishing zone. That can only be done with a concerted effort by negotiations, by telling people that we are going to exclude them, and taking active measures to exclude them.

That may sound difficult in this day and age but abuse has been going on first in defiance of the Northwest Atlantic Fisheries Organization, second in defiance of the weak approach this government has taken since 1986 to deal with the nose and tail, and third the idea that we as the country that is closest to the stock should have a management plan for all the stocks within our area. If they do not have the right stuff over there to show that to the world, then I think it is time they allow someone else to get into the discussion and try to achieve what we want on the nose and tail.

I commend my colleagues from Newfoundland. I think they see it closer at hand. They see their stocks being depleted. They see their communities like ours as well not being able to fish. Yet they have continued to see the foreigners come in and take that fish even though there is a moratorium on the northern cod.

It has been a very weak effort by the government to exert control and custodial rights over that fish. My colleague from Bonavista—Trinity—Conception is to be commended for bringing this and for having done it consistently since he has been a member of Parliament, coming into the House and making it a priority that he wants to see the Government of Canada take effective control. It is only an extension. The continental shelf is there. It is just extending our rights to the waters above the continental shelf.

• (1910)

We have not in four years and through three ministers of fisheries seen that effectiveness to do away with that overfishing by the European Community. It has been going on since 1986. It did not just start. The Europeans may not be there today, but that is because there is no fish, and that is the only reason they are not there. If there were to be fish there tomorrow or in two years, are we going to allow them to come right back and do the same thing?

Mr. Speaker, in two years there will be a new government and we will exert our control over that nose and tail.

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I certainly commend the attitude and the thinking of the hon. member from Nova Scotia who has expressed her concerns on what we might like to do as Canadians. But the fact is that what we are talking about doing here in this private member's bill is neither practical nor realistic under international law.

I would like to deal with a few of these points as we talk about extending our jurisdiction. In fact, international law does not allow us to do what we would like to do. For example, I am told that in Newfoundland today there are people who are subsisting on fishing through the ice and there are more cod fillets available as I speak than there were three or four months ago.

The problem is that we have difficulty dealing with an issue that becomes far more transparent from the perspective of what it is we should do as a responsible fishing community, whether it be Koreans, whether it be Japanese, whether it be Canadians and Americans, or whomever. We have a very distinct responsibility as an international community.

As Canadians we have extended our jurisdiction out to 200 miles. Unfortunately, that does not include the nose nor the tail of the bank of Newfoundland which significantly contributes to the welfare of our cod stocks. That is what this government has been attempting to address over the last number of months. The history of that fishery is well known to everybody who is familiar with it.

The Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency has risen in this House on more than one occasion to describe what would happen if Canada unilaterally extended custodial jurisdiction for cod or any other species beyond our 200-mile limit. Let us face it, we do not have that jurisdiction in international law. We are not permitted under international law, the Helsinki convention or any other convention, to establish ourselves beyond that. We have got to work with other communities.

It is inherently important that we recognize that South Korea, for example, recently agreed with us that indeed it will withdraw from that particular fishery. We must show an example through responsible fishing practices ourselves which we have undertaken at great political expense, no question about it, great political expense. The minister of fisheries would agree to that. There is no question about it, we have exerted a significant amount of responsibility regarding our fishery in this jurisdiction. We cannot unilaterally extend our borders beyond the 200-mile fishing limit, despite how much we might like to be able to be in a position to do that. I think that my colleagues from Newfoundland, Nova Scotia and New Brunswick would agree with that.

• (1915)

I am pleased to be able to inform the members of this House that the latest development in our efforts to obtain international co-operation and support has been officially confirmed by the Government of South Korea. That is important because the South Koreans are big players in the international fishing community all around the world. Whether it be in eels, cod or whatever, they are big fishers in our world-wide oceans. They have confirmed that they will cease all fishing activity in the NAFO area outside Canada's 200-mile limit as of the end of April this year. That is terribly important to us as a fishing nation.

This is of major importance because in 1992 there were seven Korean vessels: four were flagged in Korea and crewed by Koreans and three were crewed by Koreans but flagged in Panama and other countries. These particular people were fishing in our waters, from which they have already confirmed that they have taken substantial numbers of fish in the last few years.

I would simply conclude by saying that Canada is not alone. The 50 states of America are with us in delivering a powerful message against high seas overfishing. It has been a long and bitter fight against foreign overfishing. I have spoken in this House of Commons against it and have taken different opportunities to do so even when I was not on the fisheries committee, but before that, and even though my constituency does not have a big fishing community. But there are people in my constituency who are interested in fishing and who are deeply dependent on it, through fish processing plants and other spin-off effects.

Mr. Speaker, you would understand that, even coming from the constituency that you come from, which I know is interested. I have seen you in the House of Commons and in the parliamentary restaurant. You eat tuna fish sandwiches. You enjoy all of these things that our oceans allow us to enjoy. Why would you not be interested in this sort of thing? Of course you are.

Mr. Speaker, I applaud you for your tolerance in this debate and for your interest in ensuring that we will have an opportunity to present the position of fishermen in our society and what is important to them.

I just want to end with this particular point. Mr. Speaker, I thank you for listening and I implore you to ensure that it is well understood by the public, by the Canadian electorate and by the fishermen of our community that we, as much as we would like to do, are not in the position to extend our borders beyond that 200-mile limit which we have already established. It has served our fishermen well over the years, particularly in the last weeks and months when we have taken definitive decisions in Newfoundland where fishermen are now the beneficiaries of great programs that have led their families to greater prosperity than some of them have ever known. That has been an initiative of a very caring and compassionate government.

I am sure that will continue to be the case in the days and months to come, particularly as we deal with bills of this nature for which I commend the hon. member but it is not a practical solution to our difficulties or problems.

• (1920)

Mr. Joe McGuire (Egmont): Mr. Speaker, today, as has been duly noted in the House, is St. Patrick's Day. It may not be well known across Canada but St. Patrick's Day is a statutory holiday in Newfoundland, as is Orangemen's Day. They may be enjoying themselves today or over the weekend but in the back of their minds I am sure there is a great concern about the whole future of their province.

The sad story is that it is now too late to really save the fish stocks off our youngest province, and Britain's oldest Dominion as we learned in our history not too many years ago.

Action should have been taken 10 years ago but the policy of greed and overexploitation overruled good sense and good fish stock management.

This action of benign negligence and oversight has resulted in a state of near financial insolvency for the seafaring people of the province of Newfoundland. It has also placed the workers on the shore in a state of prolonged welfare assistance. It is a sad story that should never have been told.

A proud and hardworking people are fighting for their very survival. Newfoundland's history is unlike that of any other province in Canada.

It is too late now to do things right or to do them differently. Now we have to face the situation as it exists today. The motion moved by the hon. member for Bonavista—Trinity—Conception is the first step in the long-term solution to our fish problems.

The member's reasons for proposing this motion are well documented in *Hansard* of February 11 of this year. The chronology of events and the results of those events and decisions are in *Hansard* for all of us to read.

The bottom line for his province of Newfoundland is not a pretty one. Blame is properly shared in the hon. member's speech of that day.

The truth is that this government must bear the majority of the blame because it turned a blind eye to the havoc that was being wrought in the gulf and off the Grand Banks. This government turned a blind eye to foreign overfishing. It turned a blind eye to the technology that was cleaning out everything that swam in the water. It turned a blind eye to the evidence that stocks were quickly being depleted because of the overfishing and the technology being used. It turned a blind eye to everything but political expediency.

Now hard decisions have to be made, and this present minister knows he has to make them. That is why he put in place the two-year moratorium on northern cod and the drastic reduction in the gulf stocks for groundfish. However, we still see foreign vessels inside our 200-mile limit and in many cases within sight of our shoreline.

One would think the national good would take precedence over international agreements in this case, but no, this government is more concerned about the restaurants in France than about the dinner tables of Canadians, especially Newfoundlanders.

This government is able to create problems where none existed. The lobster industry in Prince Edward Island is a prime example. Once upon a time there was one size of canner lobsters caught in the waters off Prince Edward Island. Everyone seemed to be happy with that. They had only the fluctuations in price and the variations in fish catches to deal with, which is normal in the fishing occupation.

But peace and happiness is not a state that Tories can long tolerate. They had to change that state and today three different sizes of canner lobsters are caught off the shores of Prince Edward Island.

• (1925)

They now have fishermen fighting fishermen because everyone now wants the other to agree on their particular lobster size. They now have fishermen's associations splintering along the lines of their particular lobster size thereby threatening the united voice of the fishermen in Prince Edward Island. All this has been done in the name of conservation.

The most conservation-minded fishermen in Atlantic Canada are lobster fishermen. First of all they not only have a limited entry fishing but they have a closed entry fishing. There can no longer be new lobster licences granted.

There are two two-month fishing seasons in Prince Edward Island, very short fishing seasons. They also have strictly enforced trap limits during these two-month fishing seasons. This fishery has been stable over the past 20 years. Yet we have this present situation where the government has hired a consultant to recommend what it should do to get itself out of this jam which it created.

This particular consultant report has to be digested and agreed to by fishermen within weeks, something which is almost impossible to do.

To return to the motion at hand, I believe with the proposer of this motion that Canada must once again take unilateral action to protect its resources. It must take custodial jurisdiction over the nose and tail of the Grand Banks, something which members from Newfoundland have been saying in this House since I came here in 1988.

This motion is not extending the Canadian territory over those particular areas. It is merely exerting custodial jurisdiction to manage the breeding grounds which are used by our fish stocks.

Canada must do what was done in 1964. If I may refer to the decision made in 1964, Canada passed fishing zone legislation to attach a nine-mile exclusive fishing zone to the three-mile territorial sea. Canada felt it was time to act on a unilateral basis.

In 1977 Canada decided to take unilateral action to create a 200-mile zone of jurisdiction. The precedents are being set whereby Canada has taken control over its fisheries and the jurisdiction within those fisheries as to who can fish there and in what quantities.

I urge this House to adopt the hon. member's motion.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, as you know, many of us in the House have used our notes extensively tonight because some of the material is very complicated, somewhat scientific and very statistical. I hope you will take that into consideration this evening.

Under the agreement with the European Community on fishing in the northwest Atlantic Ocean outside Canada's 200-mile limit which is awaiting ratification, the EC, the European Community, agrees to work with Canada to end overfishing by fleets from states that are not members of the Northwest Atlantic Fisheries Organization.

What I would like to do is outline to the members of the House this evening some of the steps this government has been taking to end this problem and some of the successes that we have achieved in this area.

Since 1986 vessels under the flags of countries that are not members of NAFO, mostly Panamanian and Korean flag vessels, have taken more than 165,000 tonnes of fish contrary to NAFO conservation measures. In 1992 countries that are not members of NAFO are estimated to have caught 32,425 tonnes of fish in the area regulated by NAFO in the northwest Atlantic Ocean outside Canada's 200-mile limit. This total includes 6,025 tonnes of cod including 1,200 tonnes of 2J-3KL cod—just identifying a geographic area there—and 17,225 tonnes of red fish, mostly from NAFO divisions in 3LMN. In division 3L alone, non-NAFO members caught an estimated 1,200 tonnes of northern cod in the NAFO regulatory area outside Canada's 200-mile limit. Korean catches are estimated at 14,825 tonnes of redfish and flatfish. Thirty-two different non-member vessels fished in the NAFO area in 1992 alone.

• (1930)

In April 1992 the minister of fisheries travelled to Panama to seek co-operation in ending fishing in the NAFO regulatory area by vessels registered in Panama which are primarily former Spanish and Portuguese vessels. The Panamanians again agreed to penalize vessels registered in Panama that fish contrary to NAFO conservation decisions and to allow new registrations only on condition that the vessels refrain from fishing in the NAFO area.

Subsequently, based on photographic evidence provided by Canada, Panamanian officials have fined several Panamanian registered vessels for fishing in the NAFO area and several more have been deregistered. Packages of evidentiary material on Panamanian vessels that continue to fish in the NAFO area are being sent to Panamanian authorities at regular intervals.

As a result of Canadian representations, two other non-NAFO members, Honduras and Venezuela, have also said that they will take measures to prevent vessels operating under their flags from fishing in the NAFO regulatory area.

Among the non-NAFO members, South Korea has been the worst offender. South Korea is not a member of NAFO and has no quotas to fish in the NAFO regulatory area. In 1992 Korean-flagged or Korean-crewed vessels numbered 6 of the 32 non-NAFO vessels in the NAFO area. The remainder were mostly Spanish and Portuguese vessels reflagged to Panama. Korean vessels target redfish and flatfish. Over the last five years they have taken 73,000 tonnes of redfish which represents 20 per cent of all the redfish caught, and 10,000 tonnes of yellowtail flounder which represents 23 per cent of all yellowtail founder caught.

Canada has been calling for the complete withdrawal of all Korean vessels since 1992. The Prime Minister raised the issue directly with the Prime Minister of South Korea in June 1992. As a result of this and a meeting held in February between the minister of fisheries and a South Korean delegation, South Korea has recently announced that it will withdraw its vessels in the northwest Atlantic at the end of 1993. South Korea has also indicated that Korean crews will no longer be licensed after March 1993 for use on third country vessels.

These moves, coupled with the comprehensive agreement with the European Community which was reached in December 1992, have the potential to go a long way toward ending the problem of overfishing outside 200 miles.

Our agreement with the European Community, once it is ratified, has the potential to make the Northwest Atlantic Fisheries Organization once more, as it was in the years following the extension of jurisdiction in 1977, an effective means to conserve and manage fisheries for straddling stocks in international waters.

Central to this is that the EC will now, as it did until 1986, accept and comply with NAFO quotas and other conservation and management decisions. This is fundamental. The agreement can stay in place only if the EC complies with NAFO quotas. Canada has always accepted NAFO quotas.

The EC will ensure that catches by its fleets do not exceed NAFO quotas. Canada and the EC will maintain patrol vessels outside 200 miles and Canadian patrol vessels will carry EC as well as Canadian fisheries inspectors. When an EC patrol vessel cannot be present, EC and Canadian officials will co-ordinate inspection activities and regularly review catch data for all fleets to ensure fisheries are closed when quotas are caught.

Beginning in 1994 there will be additional EC control measures as part of the EC's reform of its fisheries. In the interim, the EC will apply the same control measures as in 1992 which were successful in closing fisheries to EC vessels when quotas were caught.

• (1935)

Canada and the EC will work together to end fishing by non-NAFO fleets. Measures to work on include: preventing reflagging of vessels for this purpose, preventing Canadian or EC nationals from crewing non-NAFO vessels and, as necessary, preventing imports of fish caught by non-NAFO fleets. These fleets, largely comprising of Korean and reflagged EC vessels, are becoming an increasingly serious threat for resources outside 200 miles.

Canada will work with the EC to revitalize NAFO through joint proposals and to add a dispute settlement mechanism to avoid abuse of the objection procedure.

Canada will set a total allowable catch or a TAC for northern cod in 2J-3KL, another geographic jurisdiction, once the present moratorium ends, based on advice from Canadian international scientists. Scientific advice indicates that on average 5 per cent of the biomass is outside the 200-mile zone. Five per cent of the TAC will be distributed by NAFO and Canada will retain 95 per cent of the TAC.

The EC has agreed to support NAFO management decisions outside the 200 miles that are consistent with Canadian management decisions outside the 200 miles.

Because the EC will be co-operating with Canada in conservation of fisheries resources outside 200 miles, as soon as both parties have given formal approval, Canada will provide access to ports and surplus allocations and permit commercial arrangements.

If problems arise with the agreement, there will be consultations to seek to resolve them. Either Canada or the EC can terminate the agreement on 60 days' notice. This agreement, once ratified, will reflect the commitment of the EC to rational management conservation and sustainable development of the northwest Atlantic fishery.

It reflects the EC's new approaches to surveillance, control and effort limitation, so the catches do not exceed quotas. It also reflects the EC's commitment to measures against reflagging and fishing by non-NAFO fleets.

Finally, it reflects the political will of the EC to work together with Canada, bilaterally and within NAFO, in a common cause to help renew depleted fish stocks and to conduct fishing in compliance with NAFO decisions.

Many important elements of this agreement call for Canada and the EC to work together to achieve common goals, like effective control of fleets, an end to non-NAFO fishing and reforms to prevent abuse of the objection procedure.

Good faith and a spirit of common purpose are therefore needed by Canada and the EC. If we bring these to the operation and implementation of the agreement, then we will have taken a critically important step toward rebuilding straddling stocks and achieving sustainable high seas fisheries for the future.

We are pleased that the EC is now ready to join Canada and other NAFO contacting parties in seeking to end fishing by non-member vessels in the NAFO area and to prevent reflagging of vessels that are owned or controlled in the NAFO member countries.

Canada alone cannot save and rebuild straddling stocks off her east coast. Co-operation of all maritime and fishing nations is essential. Throughout the period since 1989, Canada has made a tremendous effort to achieve that co-operation and to have the principle of sustainable development given an effect in high seas fisheries in the northwest Atlantic.

We also have reason for optimism about the future. Canada hosted a three-day meeting on high seas fisheries of 48 states from around the world which opened in St. John's on January 22 of this year. The meeting brought together like-minded states in preparation for the United Nations Conference on High Seas fishing that will begin in April. At the St. John's meeting, coastal states shared their experiences, considered common approaches and committed themselves to a common course of action going into the coming conference.

• (1940)

At that St. John's meeting there was wide acceptance of the proposals contained in the discussion documents prepared by Canada regarding management principles, remedies, surveillance, control and enforcement, as well as a discussion document prepared by New Zealand on problems of developing states.

Five key matters were dealt with in that discussion paper. I will touch on those: the special interest of coastal states in straddling stocks and highly migratory species outside the 200 miles; the principle of consistency between conservation and management measures outside 200 miles and those taken by coastal states inside 200 miles; the no adverse effect principle, that is fisheries outside 200 miles should have no adverse impact on resources inside 200 miles; the need for effective enforcement outside 200 miles; and binding dispute settlement to ensure effective conservation and management.

Like-minded states are ready to do what needs to be done to persuade the rest of the world to take those concrete measures that we as coastal states believe are needed to end high seas overfishing.

The United Nations Conference on High Seas Fishing will provide for the first time a forum to develop rules for the management of high seas fisheries in accordance with the conservation and sustainable development principles within the framework for international co-operation established by the United Nations Convention on the Law of the Sea. It will also continue to focus international attention on current overfishing on the high seas, increasing the pressure to stop this practice.

In conclusion, we have more reason than ever before to be optimistic about the future when we consider among other recent developments our agreement with the European Community, the solidarity of like-minded states and the progress we are making in our discussions with the non-NAFO members.

Mr. George Proud (Hillsborough): Mr. Speaker, it is a pleasure for me to rise tonight to participate in this debate on the private member's motion put forward by the hon. member for Bonavista—Trinity—Conception.

It is a very important debate, important in order to prevent further ecological disaster through the pillaging of transboundary fish stocks off Canada's east coast. In order to save an essential national industry and a valued way of life for many rural citizens, Canada should take immediate steps to extend its functional jurisdiction to the nose and tail of the Grand Banks.

I also wish to talk about the sorry state of the Atlantic economy and the continued disregard the current government displays toward the people of that area. There exists many examples, too numerous to mention in the time allotted to me tonight, of the lack of caring and understanding on the part of the Government of Canada toward the every day concerns of Atlantic Canadians in particular and Canadians in general face.

The closing of the Summerside military base, the free trade agreement and the GST are simply three examples which prove that the government implements policies contrary to the wishes of the people. After implementation, it is the people, not the government of the day, which must bear the brunt and the pain of undesirable economic policies.

Increasing unemployment, especially in Atlantic Canada, is proof enough that these policies are not working. However, the government continues pursuing its agenda of destroying the economic and social fabric of this country regardless of what people want and need. The latest and most unfortunate example of the government's disregard for Atlantic Canadians and their unique way of life is the current issue of foreign overfishing. It clearly puts into focus the government's goals of satisfying the needs of foreigners while forgetting the people that count most: Canadians, and in this case Atlantic Canadians.

There is one reason why the vital cod stock and the flatfish supplies are dwindling: foreign overfishing by Portuguese and Spanish trawlers. This fact cannot be contested.

• (1945)

What is the government's response to this attack on Canadian sovereignty and Atlantic Canadians way of life? Diplomatic delegations are sent to Europe and the government publicly states that the issue is complex and there are international dimensions to it.

The result of this response is no concrete promise of employment for fishermen and plant processors and a continual increase in the amount of fish caught by these foreigners.

The facts cannot be disputed. The European Community had a northern cod quota of 9,500 tonnes in 1986 and 1987. It has not been allocated any extra quota since that time. However, the EC's catch of northern cod over the six-year period 1986-1991 approaches 250,000 tonnes. In 1986 the European Community fleets caught 62,000 tonnes of northern cod. This amount was almost 30 per cent of the amount caught by Canadians.

More foreign overfishing of Canadian resources simply leads to one inevitable result: The amount of the resource available for Canadians decreases. While the economic costs of this are easy to measure, the human cost is more difficult to quantify.

Atlantic Canadians have always enjoyed a unique culture, a unique outlook and a unique way of life. This has been shaped over time by geography and the type of employment available in the area. As with previous policies however, the government has ignored the special concerns of Atlantic Canadians during the current crisis in the Atlantic fishery by refusing to stand up to foreigners and protecting and promoting the economic and cultural interests of Canadians.

The government always talks about the best social policy available is having a job. When one has a job, one has dignity. People cannot become dependent on government hand-outs at this time of savage budget cuts.

This is probably the one thing the government has stated that makes sense. However when given the opportunity to act on these grand and noble statements such as right now, these actions fall wide of the mark. The government must understand that saying and doing are two entirely different things.

People want action now. However this government is not acting at all in the best interests of the fishermen. Livelihoods are disappearing daily. Canadian sovereignty has blatantly been violated and the government does nothing concrete to secure for Atlantic Canadians that dignity of having that job.

The problem of current foreign overfishing is not simply a localized problem. It cuts to the core of how Canadians view their country and view themselves. The Atlantic fishery plays a vital role in this self-perception. Indeed, the fishery is a national industry. The government appears to forget this every time it allows foreign trawlers to take away jobs in the region.

We usually think of the auto industry of central Canada to be a national industry and therefore worthy of national attention. For example, the auto industry currently employs, or did employ approximately 117,000 people. That is almost precisely the same number of jobs as in the Atlantic fishery in terms of men and women in boats and in plants in the four Atlantic provinces.

This government ignores this fact, as it has forgotten about the region on numerous other occasions. I fear that the destruction of the Atlantic fishery is consistent with the destruction of other so-called sacred trusts, such as universal family allowance. The two are unfortunately part of the government's secret agenda of ruining what it means to be a Canadian.

Today I call upon the Government of Canada to take the interests and the concerns of Atlantic Canadians seriously and finally do what is right. What is right is to give Atlantic Canadians dignity through employment. The only way this can be done is to take strong concrete actions against this foreign overfishing.

In order to achieve this the government should adopt appropriate conservation policies which give Canadians, not foreigners, the ability to get the most access to the vital fish stocks.

• (1950)

The time has come once again for the government to stand up to the foreigners and to help Canadians. The means are readily available. Unilaterally extending Canadian jurisdiction beyond the 200-mile economic zone is one example which would preserve the spirit of the Law of the Sea and come to the aid of Atlantic Canadians.

The issue, therefore, is political will. While the government has previously not had the political will to do what is right for the country, I hope members on the government side can finally convince the government to do what is right this time. Atlantic Canadians unfortunately are running out of time with this government's indifference to the concerns of the people.

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I would imagine you and hon. members of the House are curious as to why someone from the middle of the prairies is entering into this specific debate. There are a number of reasons I have something to give to this debate.

The first is the fact that as early as yesterday afternoon our Standing Committee on Industry, Science and Technology was hearing evidence from the networks of centres of excellence.

A profound presentation was put forward by what is called the open group. It is working out of Dalhousie University studying the problems with the northern cod stocks. It was very interesting. It was enlightening for someone such as myself who comes from the prairies. We looked at how that group is doing a significant amount of work in tracking the small larvae of cod in an ocean. The larvae apparently are only three centimetres long. It is beyond me to figure out how larvae that small can be dissected and through the research programs tell of things that are being done.

The other reason is that I come from Selkirk, Manitoba. I grew up in a fishing community on Lake Winnipeg, which is a big freshwater fish stock. Lake Winnipeg has also had problems with overfishing, lack of fish and an over-demand on the stocks. We too in Manitoba have had a significant problem in trying to restock Lake Winnipeg in particular. We also had a significant fish processing industry.

The difference between the concerns of the members opposite with their fish processing industry and that of my home community, is that ours was taken away because of political will. It was the political will of the Liberal Party. It decided it was more convenient to have the fish processing industry in the city of Winnipeg in a Liberal constituency than it was to have the fish processing industry close to the source of supply in Selkirk, right along the Red River where the fish freighters could bring their catch to processing. But that is history.

I would like to get more significantly into today's debate. Like other of my colleagues, I have some very significant well-detailed presentations. On the strength of these prepared presentations I will carry on. I would like to thank those who took the time to help me put this presentation together.

We know that the hon. member's motion is well-meaning. He is concerned about the state of the northern cod stocks and so are we. He is concerned with foreign overfishing and so are we. We are also very concerned about those affected by the serious problems with the northern cod stocks. As a matter of fact, this government has moved forward with major initiatives on all of these issues.

Before I describe how this government has responded to the northern cod situation, I will say a few words on the issue of jurisdiction. Whether the hon. member talks about custodial jurisdiction for northern cod only, or whether he talks about the full jurisdiction over everything that moves on the continental shelf, at this point in time what he is proposing would be a unilateral action that would not fly in the international community.

Whether or not the hon. member wishes to acknowledge it, Canada is a full-fledged, respectable and respected charter member of this community. Canadians are peacekeepers and we are peacemakers. We are not price-takers. We are committed members of the United Nations, which is a body that has increased its credibility and effectiveness in recent years and continues to do so. Why is this? It is because the nations of the world have decided, as never before, to act together in their common best interests. Canada is working with many countries in the global community to effect the kind of change that the hon. member and all of us would like to see, but it must be done properly. It must be done in such a way as to have the support and concurrence of other nations. Then it can be effective and respective.

• (1955)

We are taking the initiative. We are spearheading a drive to effect the appropriate changes. I hope we can count on the support of the hon. member and his colleagues in order to show the world that Canada is serious and should be supported. That is all I will say for the moment regarding the international initiative.

If I may, however, I will address another side of this very important issue and that is the measures this government has taken to deal with the northern cod situation. On July 2, 1992, the Minister of Fisheries and Oceans announced a two-year moratorium on the northern cod fishery. This was an unprecedented but necessary decision. It may be unprecedented on the northern cod situation but I know that we have had a very similar moratorium in Manitoba with our freshwater fish. The minister arrived at this conclusion only after careful and lengthy deliberation and consultation. It was based on the scientific advice he had received on the disastrous state of the northern cod stock.

All our hon. colleagues and indeed everyone in the country knows that the Minister of Fisheries and Oceans is a compassionate man. Everyone knows he is forward thinking, pragmatic and fair and I can say on occasion that I think he is rather humorous. It is with no surprise that on July 17 the minister announced a comprehensive program called the Northern Cod Adjustment and Recovery Program, better known as NCARP. This addresses the needs of the people affected by the moratorium and the need for a sustainable resource and economically viable fishery.

The first measure under NCARP was to provide income support payments of up to $406 per week for eligible fishermen and plant workers who were not in receipt of unemployment insurance benefits. This payment is based on the individual average unemployment insurance benefit for each fisherman and plant worker over the last three years. It does not make work nor is it intended to qualify people for unemployment insurance. It is a direct payment by the government completely outside the UI system to provide replacement income during the whole of the two-year moratorium.

The amount of $225 per week is the minimum income support payment for those eligible. There are now some 16,000 people receiving income support under this program. The remaining 8,000 to 9,000 people who qualify for NCARP are for the most part either working or drawing other unemployment insurance benefits.

It has become clear to all the stakeholders in the northern cod fishery that capacity in harvesting and processing far exceeds the limits of the resource. All stakeholders, whether it is the union, the provincial government, the fishermen or plant workers realize that changes must be made. This is important to provide those who remain in the fishery with the opportunity to make adequate incomes in the future while those who leave are provided for.

Fishermen and plant workers who have qualified for NCARP assistance have had five measures to consider. These measures include early retirement for persons 55 years of age and older, license retirement, training outside the fishery and professionalization within the fishery involving training toward certification.

The deadline for these decisions was March 1, 1993. The vast majority of fishermen and plant workers have mailed their option forms back to the Department of Fisheries and Oceans. The preliminary results indicate that some 20 per cent have chosen training outside the fishery or early retirement. If an eligible fisherman or plant worker chose early retirement, benefits will continue until age 65. If an eligible fisherman or plant worker takes training outside the fishery, benefits may continue beyond the moratorium, depending on the length of the training. If an eligible fisherman or plant worker pursues training inside the fishery or for those qualified for fishing experience exemption, then the support payments of up to $406 per week will be maintained for the duration of the moratorium.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

Before I call it eight o'clock, top o' the evening to you all and *Erin go Braugh* from O'Proski.

It being eight o'clock p.m., the House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 8 p.m.

HOUSE OF COMMONS

Thursday, March 18, 1993

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 52 petitions.

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

* * *

[*English*]

BILL C-110

REPORT OF LEGISLATIVE COMMITTEE

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-110, an act representing the Northumberland Strait Crossing, with amendments.

I want to make two brief comments about the bill, mostly about the procedures. The witnesses were extremely helpful to us in our deliberations and there was complete co-operation of the members. I especially want to single out the clerk of the committee who helped us through some rather ticklish situations. I want it on the record that I do appreciate that.

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

* * *

[*Translation*]

HOUSE MANAGEMENT

PRESENTATION OF SEVENTY-SECOND AND SEVENTY-THIRD REPORTS OF THE STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the seventy-second and seventy-third reports of the Standing Committee on House Management concerning the list of members to sit on the legislative committees on bills C-72 and C-73.

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

* * *

• (1010)

[*English*]

EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

Hon. Paul Dick (for the Minister of Industry, Science and Technology and Minister for International Trade) moved for leave to introduce Bill C-118, an act to amend the Export Development Act.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Dick (for the Minister of Industry, Science and Technology and Minister for International Trade) moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

Routine Proceedings

NORTH AMERICAN FREE TRADE AGREEMENT

SPECIAL COMMITTEE ON BILL C-115

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That a special committee of the House of Commons be appointed to consider and report on the subject matter of Bill C-115, an act to implement the North American Free Trade Agreement;

That the Standing Committee on House Management appoint the membership of the special committee and present its report which shall be deemed concurred in upon presentation to the House of Commons no later than five sitting days after the adoption of the motion;

That the said special committee be composed of eight members, that changes in membership of the said special committee be effective immediately after notification signed by the member acting as the chief Whip of any recognized party has been filed with the clerk of the committee;

That the committee have all the powers of a standing committee of the House of Commons pursuant to Standing Orders 108(1), 120 and 121;

That the committee have the power to adjourn from place to place in Canada along with the necessary staff;

That the committee have the power to engage one expert staff person to be attached to each recognized party represented on the committee;

That the order for second reading of Bill C-115 be amended to refer the said bill to the special committee for committee stage consideration of Bill C-115;

That the special committee report on Bill C-115 to the House shall be the committee's final report.

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

Mr. Nelson A. Riis (Kamloops): On debate, Mr. Speaker. I want to thank my hon. friend for introducing the motion which of course we oppose.

The Acting Speaker (Mr. Paproski): It is not debatable. Is there consent?

Some hon. members: No.

The Acting Speaker (Mr. Paproski): There is no consent. Therefore it is not debatable. I am sorry.

Mr. Riis: Point of order, Mr. Speaker. I simply want to make a very short intervention to say why I did not give unanimous consent. Normally we would be inclined to do so.

The wording of the motion my hon. friend has put forward really limits the amount of debate—

The Acting Speaker (Mr. Paproski): I have heard the terms. I asked for unanimous consent. There was no unanimous consent. There can be no debate on this.

* * *

PETITIONS

BOSNIA-HERCEGOVINA AND CROATIA

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, subject to Standing Order 36 it is my pleasure and honour to present a petition signed by several hundred residents of Alberta in Edmonton, Calgary and Red Deer dealing with the utter tragedy going on in Bosnia-Hercegovina.

I will just give the substance of the petition as it is very short. The petition states that innocent men, women and children who are ill-equipped to defend themselves continue to be slaughtered in Bosnia-Hercegovina and Croatia by heavily armed aggressors.

The petitioners humbly pray and call upon Parliament to demand that the UN take immediate military action to stop the fighting. Failing that they request the UN arms embargo be lifted so that the victims in Bosnia-Hercegovina and Croatia can be properly equipped to defend themselves. As in duty bound the petitioners will ever pray.

As I say, several hundred people have signed that petition.

VIETNAM

Mr. David Kilgour (Edmonton Southeast): I have a second petition. This one relates to Vietnam. The petitioners are mostly from Ottawa, Nepean, Kanata and Montreal. I will just give the conclusion because this petition is longer. The petitioners humbly pray and call upon Parliament to request the Government of Canada to use its good office to urge the Hanoi government to meet the following legitimate demands as a precondition for economic aid and trade relations.

• (1015)

Abolish the communist dictatorship and establish a democratic and plural political regime in Vietnam; respect human rights and organize free elections under observation by United Nations; and release all political prisoners including religious leaders and members of the former armed forces and government of the republic of Vietnam who are being detained in various concentration camps in the country.

CHILD POVERTY

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I too have the honour to table a petition forwarded to me by a group of constituents. They are most upset that one million Canadian children are currently living in poverty.

It was not long ago that Canada ratified the United Nations Convention on the Rights of the Child. My constituents are of the opinion that we all have a moral obligation to alleviate child poverty and suffering in Canada.

It would seem to me in this day and age that we as Canadians should be able to take care of our own children. After all, it has been mouthed in this House many times that they are our future. In that sense they are a great investment for our nation.

BOSNIA-HERCEGOVINA AND CROATIA

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I would like to present a petition that deals with the situation in Bosnia-Hercegovina and Croatia.

These petitioners are demanding that the United Nations take immediate military action to stop the fighting. Failing that, they request that the United Nations arms embargo be lifted so that the victims in Bosnia-Hercegovina and Croatia can be properly equipped to defend themselves.

VIETNAM

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have another petition which deals with the question of human rights in Vietnam.

These petitioners are calling on this House to urge the government to do whatever it can in order to help abolish the communist dictatorship and establish a democratic and free political regime in Vietnam by means of a free election, as well as to urge the present Government of Vietnam to respect human rights and release all of the political prisoners that are presently held.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the Canadian Federation of Students represents over 450,000 college and university students in Canada. This petition is from the students of universities in Regina and Saskatoon and of the community college system in Saskatchewan and Manitoba..

They call upon the government to eliminate the 3 per cent tax on student loans, increase the weekly loan limit, keep the six months interest subsidy, respect the current limits for minimum course load and maintain the special forgiveness provisions for students with disabilities and the total borrowing time.

They ask the government to amend the Canada Student Loans Program to enhance accessibility, to guarantee 100 per cent of student loans and improve accessibility for part-time students. They fear the new government program which is going to be handled by the banks. They think it might limit accessibility.

[*Translation*]

VIOLENCE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, allow me to present a petition from the people of Barraute, Dubuisson, Malartic, Saint-Mathieu, Amos, Landrienne, Rivière-Héva and Val-d'Or in Abitibi, who say that violent movies on television are dangerous and therefore unacceptable because they incite more violence.

They say in the petition that all toys which incite violent games are unacceptable and should not be made. These citizens express the opinion that freedom of the press in reporting acts of violence should be limited and that information on violent acts which is repeated too often on all television stations and on radio can incite others to commit the same acts of violence.

Therefore the petitioners humbly ask Parliament to legislate on the above-mentioned points in order to eliminate violence in our society, so as to protect our children more and ensure a better quality of life for all our fellow citizens.

[*English*]

WATER DIVERSION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present petitions on behalf of a number of residents throughout British Columbia. They are deeply concerned about a plan to divert the North Thompson River into the Columbia River basin and consequently sell that Canadian water to the area of San Diego, California.

Members of the First United Church in Kelowna, British Columbia collected these names. They are simply asking the government to ensure that our water will not be sold to the United States through water diversion and that water be identified as an area of exclusion under the North American free trade agreement.

• (1020)

BILL C-268

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on another matter that is unrelated, once again the petitioners are by and large from Alberta. They state that Canadians wish to designate a day of recognition of Canada's original inhabitants to honour native cultures and that June 21 is the most appropriate day to recognize our First Nations.

The petitioners call upon Parliament to enact Bill C-268, an act respecting a national solidarity day for the aboriginal people of Canada.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Question No. 453 will be answered today.

[*Text*]

Question No. 453—**Mr. Flis:**

With respect to the total number of contracts awarded to the private sector for consulting services by the Canadian International Development Agency (CIDA), (a) what are the selection criteria (b) how many were awarded to each province during the past five fiscal years?

Hon. Monique Vézina (Minister for External Relations and Minister of State (Seniors)): With respect to the total number of contracts awarded to the private sector for consulting services by the Canadian International Development Agency, the detailed answer is as follows:

(a) Selection Criteria

A unique set of criteria is established for each selection which reflects the particular requirements of the assignment to be contracted. In broad terms, these criteria normally include:

1. Professional and Technical Expertise: this might include the requirement for a professional designation or accreditation (i.e. chartered accountant, engineer, agronomist) specializing in a particular field (i.e. a chartered accountant specializing in the establishment credit systems for small or medium sized firms; or an electrical engineer specializing in alternative sources of heating such as biomass, or new and renewable energy).

Note: CIDA classifies its professional and technical requirements in some 700 different sectors, subsectors and areas of specialization.

2. Experience: might include the number of years of practical experience in a given field; experience in doing similar work—planning, execution, monitoring, evaluation—under similar conditions; international, regional or country-specific experience.

3. Language Capability: The language preference of the recipient country (usually English or French) is the determining factor. There are sometimes requirements for other special language skills, such as Spanish, Portuguese, Mandarin.

4. Availability: This refers to the availability of the recommended consultant to provide the services within a specific time frame i.e to attend a scheduled international forum; to be a member of organized mission team.

5. Cost: In keeping with government contracting policies and practices, CIDA seeks to obtain the best value for the Crown (best services at a fair market price).

(b)

Provincial Distribution by fiscal year
Contracts #

Province	1987-88	1988-89	1989-90	1990-91	1991-92
Alberta	53	45	28	46	26
British Columbia	88	95	81	61	46
Prince Edward Island	5	4	4	2	3
Manitoba	27	28	27	14	8
New Brunswick	16	9	18	8	3
Nova Scotia	23	24	9	11	16
Ontario	630	852	872	717	584
Quebec	553	635	586	491	420
Saskatchewan	16	10	9	9	4
Newfoundland	6	9	6	4	3
	1417	**1711**	**1640**	**1363**	**1113**

[*Translation*]

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

The Acting Speaker (Mr. Paproski): The question enumerated by the parliamentary secretary has been answered. Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—CANADIAN YOUTH

Mr. Bob Speller (Haldimand—Norfolk) moved:

That this House condemns the government for policies regarding jobs and job creation, post-secondary education and job training and retraining that are having the effect of robbing a whole generation of young Canadians of their legitimate aspirations.

He said: Mr. Speaker, it is my pleasure to speak on our opposition day motion today:

That this House condemns the government for policies regarding jobs and job creation, post-secondary education and job training and retraining that are having the effect of robbing a whole generation of young Canadians of their legitimate aspirations.

Undoubtedly a crisis faces young Canadians today which this country can no longer afford and we as members of Parliament can no longer afford to relegate these youth issues to the bottom of the political agenda. For this reason, I welcome the opportunity that this opposition day motion gives us. It allows us to bring to light many of the problems facing these young Canadians.

I would like to begin by putting a question to my colleagues on the other side. How many times have we heard that young Canadians are this country's greatest asset and our greatest resource, that they represent the future? Unfortunately our future, the youth of this country, have lost hope. They are demoralized. They are marginalized. They are a lost generation. They are generation *x*.

The problems facing young people in Canada today are overwhelming: acute unemployment of close to 18 per cent; fears over job security and changing labour requirements; drastic cuts to education; inadequate skills to cope with increasingly technological change and a knowledge based economy; over a 30 per cent high school drop-out rate; a dramatic increase in the number of street kids; drugs and sexually transmitted diseases; and finally, a lack of direction or coherent government policies to deal with these problems.

The youth of this country feel lost and alone and they are tired of government inaction. They know what the problems are and they know what the solutions are. The time for action is now.

Chronic youth unemployment and under-employment has demoralized the young people of this country. In fact the biggest problem facing youth today is unemployment. As a country, we need to give back to Canadians purpose and hope. We need to get them back to work.

Unfortunately there is a present void in our government's youth policy in this area. Why? Because the government has never explicitly stated a specific policy geared to putting youth back to work. In other words, they have no game plan to get Canadians working again.

I believe that for young people today, no other policy program is more important than getting them a first job. We know that on-the-job experience is a critical part of developing marketable labour and skills. Of course, the problems facing young Canadians today is that they have not been able to get that first job. Otherwise, they tend to be marginalized until there remains but one big question: How do we get young Canadians working again? How do they get that all-important first job? How do we give them back that hope and confidence and let them know that this country cares about their future?

In the short term, young people can be put to work. They can be put to work to do environmental and community based service. A Canadian environmental youth corps would give young people the opportunity to participate in environmental rehabilitation and education projects. I feel this would be an investment, not only in our youth but in our communities which are today suffering. To give young people career experience, summer employment opportunities must be maintained by the government. In fact, the government must acknowledge that giving youth summer job experience is an investment in our future.

• (1025)

Since 1985 the Challenge program which has provided summer job opportunities has been slashed by more than half. In 1985 it was $205 million, today it is $101.9 million.

An hon. member: Shame, shame.

Mr. Speller: Mr. Speaker, if we are serious about any future jobs for our young Canadians, we need to give more importance to these summer job experiences and first-time jobs for students.

What about the long term? What are the long-term prospects for our Canadian youth? What are the challenges that this country, especially its young people, face going into the next century? The fact is that this country is undergoing extensive restructuring as world economies become increasingly integrated. We are told that we must face globalization, that we must be ready for change.

Therefore, the greatest challenge facing Canada and Canadians will be to become more competitive and a more innovative country. However, as this country has been slow to respond to this international challenge it represents more of a problem for today's youth, both in the short and the long term.

The biggest problem facing youth today is unemployment, specifically structural unemployment. This means that the demand for labour is changing faster than the supply of labour can adapt. This is problematic for our young people because although there is demand for high-tech, high-skilled jobs, young people do not have the training for these jobs and they cannot compete.

It stands to reason that until we give our young people the tools they need in order to compete, they will be condemned to remain in the marginal aspects. They will remain marginal workers taking temporary, low-skilled and low-paying jobs with little job security. Imagine the feeling of low self-esteem resulting from being chronically unemployed. It is ironic, is it not? The future of this country, our youth, feel that they have no future.

We should not lose sight of the implications of high youth unemployment, both on the victims and on Canada's future competitiveness. How do we become more competitive? How do we change the mind-set of a country that seems slow to adapt to this change? How do we encourage Canadians to embrace the technology of an information economy as opposed to resources and manufacturing?

In my opinion, education and continuing education is the basis of a productive and competitive society. If we want to compete globally we must place a high priority on education. Canada's commitment to education must be unequivocal. It is fair to say that our poor economy and our future prospects are tied to the quality of our education system. Therefore, a revamped education system must be ready to give young people better job-related training to help them beat the vicious cycle of structural unemployment.

First, some fundamental problems must be addressed, and these problems are obvious. Federal government cuts in transfers to the provinces have left provincial treasuries empty with little choice but to make drastic cuts in important areas such as education. Within the school system teaching must be ready to adapt to the many changes that are going to take place over the next decade.

We also have to acknowledge that two-thirds of graduating high school students do not go on to university or to post-secondary education. This represents a large pool of untapped resources that do not see conventional post-secondary education as a viable option. Because our secondary schools are oriented toward academic subjects and because our school system does not encourage vocational programs, there are thousands and thousands of students who feel that they have been given no practical alternatives within this system. This represents a tragic waste of potential.

• (1030)

Only about 10 per cent of students are enrolled in apprenticeship programs. Moreover, the present apprenticeship program system is highly concentrated in manufacturing and construction trades, instead of meeting the growing demands of the technological revolution.

Between 1996 and the year 2000 the percentage of the work force requiring high-skilled jobs is going to increase from 45 per cent to 64 per cent. However, the percentage of Canadians actually acquiring high-skilled training is declining. Think about it. We are simply not prepared for the next century. It is today's young people, the youth of this country who are going to suffer.

Therefore, in order to effectively target educational resources and new and changing demands in government, we must create a national apprenticeship training program. This would enable our young people to acquire the specialized fields they are going to need for the jobs of tomorrow, something that universities today do not seem to be able to provide.

A change in the educational system must also include an extension of co-operative education. A promoted and expanded co-operative education program would bring together government, business and labour to give these young people a career experience that is essential for their futures.

Moreover co-operative education, besides giving valuable work experience, provides students with the ability to finance their education and it is therefore cost effective for governments. It also gives youth opportunity to understand their discipline and to improve their ties within the corporate community. For government, co-op education gives all partners—government, business, labour and our local communities—a chance to work together in the best interests of Canada's young people. As we become more competitive we must learn how to consult and to collaborate with one another.

Obviously there is a correlation between education, the quality of the labour market and the performance of our economy. For this reason government along with all players must act quickly because the education system in this country is simply not ready for the changes and the challenges of tomorrow.

I would like to take a moment to talk about the unique challenges of rural youth. It has become apparent to all Canadians that small rural communities across this country are in a state of decline. It includes fishing communities in Newfoundland, it includes farming communities all over Canada, including my riding of Haldimand-Norfolk and other resource based towns.

Sadly, rural Canada increasingly cannot retain its young people. Rural youth feel that they have no choice but to leave their homes and to leave their communities. In many cases the education system can be blamed for the way that it socializes people off the farm or away from the fishing community. Of course many young Canadians leave their communities with the hope of finding jobs. Unfortunately high unemployment is both an urban and a rural problem and even when they leave these homes they do not seem to find jobs.

As I have already noted, education skills experience is needed for most of today's jobs. Many young people from rural communities end up on the streets. In fact, we were told in our task force hearings across the country that one-third of the homeless youth in urban centres come from small town Canada. They come out of small towns and end up on the streets of these urban centres.

The point is that we on all sides of this House from all parts of Canada must consider very seriously the crisis facing rural Canada and the implications of a decaying rural infrastructure and the effect that has on our rural youth. We have to come together and develop strategies to deal with this.

It is time for all Canadians to realize that rural Canada is a vital and an integral part of a strong and united Canada. We cannot afford to lose our young people.

Government is always key to restoring hope to a country hit hard by tough economic times. It is government that must take a leadership role. The private sector has been slow to respond and to adapt to the changes facing this country. I believe in the short term government can be the engine of economic growth because government sets an example for the rest of the country.

• (1035)

If we want Canadians to start spending again, if we want the private sector to be ready for the challenges of globalization and if we want to show young Canadians that we care about their future, then we have to show them that government is willing to act and take the initiative.

Government should not have to apologize for discriminate spending in this area because fiscal responsibility means more than just slashing and cutting. It means more than just a bottom line because once this country, especially its young people, loses confidence and hope then bottom-line fiscal policy means very little. For young Canadians the prospect of a strong economy restores the sense of confidence in what their country can do for them, both in the long and the short term.

Young people are worried. They are also worried about the deficit and debt reduction. After all, they are the ones who are going to have to deal with them. I do concede that there is a temptation within governments to indiscriminately spend, and this must be tempered by fiscal responsibility and a consideration of our long-term goals and objectives.

However, I maintain that the best way to restore hope in young Canadians is to give them back their lost sense of pride, their confidence and their self-esteem. To get them working again is to empower them and to give them back all they have lost.

All Canadians, not just government, must take more seriously these challenges facing young Canadians. Governments must work co-operatively with, each other, business, labour and local communities to develop these policies and programs geared toward young people.

Working co-operatively means pulling together to find constructive solutions. Instead of arguing about who is to blame we have to concentrate on constructive ways to solve this problem and get young Canadians working again, because young Canadians need solutions now.

If we continue to ignore the problems of generation *x* we risk losing the unlimited potential of an entire generation of Canadians. We have to be willing to invest in our future. We have to give young Canadians a renewed sense of hope and confidence. After all, this is our future we are talking about.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I understand that Germany produces 400,000 apprenticeships a year. I think Canada produces 24,000. Could the member make some comments as to how we might try to catch up to Germany and start to do more for youth who are not, for one reason or another, able to go to university or pursue post-secondary education?

Mr. Speller: Mr. Speaker, I thank the hon. member for that question. He does bring to light one of the examples that we have seen as we have studied this issue across the country. We went across this country and talked to all Canadians about it. A number of people mentioned the German experience.

The real fact of the matter is that Germany creates more of these jobs for almost half of the money we spend in this country. It not only has more apprenticeship spots, it not only has people who come out of this system trained not only in the construction or manufacturing trades but in those jobs of the future such as the high-tech and biotech areas, but it does so for half the money we spend.

We as a country need to seriously examine this area because it is money well spent. It is an investment in our young people, and it is an investment that does not cost Canadians a lot of money.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, there are approximately 960,000 small businesses in this country right now. They represent the greatest hope for new job creation because most of the larger corporations are downsizing and restructuring. I know that the minister responsible for small businesses supports this position.

• (1040)

I would like to ask the hon. member a question in light of the fact that there are so many of these small businesses right now struggling to make ends meet and stay viable, and many of the entrepreneurs who are operating these small businesses are working 70 to 80 hours a week and sometimes six or seven days a week, while at the same time there are close to 400,000 young people, some of whom have just graduated from school, who are basically sitting at home because there is not a lot of job opportunities out there and so we are disbursing close to $8 billion to $10 billion through unemployment insurance and welfare.

Would it not be a much better approach to try to link the job creation program for youth directly to the small business sector? The person working with the small business person would be learning a skill. That person would be learning a craft, a trade or some sense of business practice and entrepreneurship. Would it not be a much better approach to link those people who are unemployed with the small business sector of this country?

For probably an extra couple of thousand dollars on top of what we are already paying in welfare we would not only be giving people this new skill and opportunity but would also be returning their dignity to them.

I wonder if our party's critic for youth could respond to that.

Mr. Speller: Mr. Speaker, I want to thank the hon. member for his input. He is always talking about small business and this is one of the areas in which small business can play a key role.

We do allow small businesses to have students through the SEED program, albeit the money has been cut off in that area. The hon. member knows, because he brought this to my attention, that small businesses are the people who are training Canadians today. We could increase the money going into training because it would help young Canadians by giving them their first job experience and it would help small businesses by giving them trained people and people to help them.

I know the hon. member knows this, but I want to bring to the House's attention that a 1991 report by the National Advisory Board on Science and Technology said that the average Canadian worker currently receives only seven hours of training annually. Compare that to 17 hours in Australia, 170 hours in Sweden, or 200 hours in Japan; and we are wondering why we are lagging behind in this country.

It is not small business that is lagging behind because it is doing its fair share. Both government and big business in this country are going to have to sit down and address not only the needs of Canadian youth being trained but the needs of businesses for the future.

It is they that lack these people with training. There is a complete lack of training in jobs, the government says so itself. It says that there are thousands of jobs that cannot be filled because Canadians are not trained for those jobs.

The time is now. Germany, for instance, has within the last three years increased its funding in this area by some 45 per cent while we in Canada have slashed ours. Germany knows the answer. Japan knows the answer. Sweden knows the answer. It is time this country did what was right and discovered the answer.

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I believe that we have a very serious subject to discuss here today.

I thank the hon. member for raising the issue. Of course I do not agree with the wording of the motion as it was put by the hon. member. I could be tempted to underline that I sense a little partisanship in the wording, but notwithstanding that I believe it is an important subject worth discussion in this House.

Mr. Mills: And you've never been partisan?

Mr. Cadieux: Absolutely not, but I am thinking about it. That being said, it is important to raise these issues and to discuss them.

• (1045)

The wording of the motion gives the impression that this government has done absolutely nothing with respect to the youth situation in Canada. I regret that my hon. friend has taken that slant, which is that nothing has been done and consequently it is a desperate situation. I do not think it is an ideal situation but it is certainly not a desperate one.

The best way for me to respond to such a wrongly worded motion is to review a few of the things we are doing to help young Canadians. I know that my time is limited and I will not be able to touch on all the subjects, but I am sure that my colleagues who will be addressing this important question today will complete the list of programs and initiatives of this government with respect to youth in Canada.

Let me begin by pointing out that despite the tough economic conditions that we have been experiencing the 17.8 per cent youth unemployment rate in 1992, which is totally unacceptable, was below the historical high of 19.8 per cent in 1983 when by coincidence my friend's party formed the government.

The gap between the general unemployment rate and the youth unemployment rate is lower now than it was between 1981 and 1982, also a period of Liberal government.

As well, the youth unemployment rate fell to 16.7 per cent last month at a time when there were 4,000 more young Canadians active in the labour force than in the previous month. This was the result of strong employment growth and a decline in unemployment.

[*Translation*]

Employment and Immigration Canada knows the employment situation in this country better than anyone and it also knows better than anyone how to help young Canadians find their feet in a rapidly changing labour market.

We know that two-thirds of all jobs created in Canada during this decade will require a level of education beyond Grade 12. We know that 40 per cent of these jobs will require at least five years of post-secondary education. Nevertheless, we know that nevertheless, more than 100,000 young people drop out of high school every year. This represents a national dropout rate of about 30 per cent.

So what are we doing about it? Let us look at some of the ways in which Employment and Immigration Canada tries to help the young people of this country.

[*English*]

The first step in preparing for employment is a good education. We launched a five-year $296.4 million stay-in-school initiative, which is now concluding its fourth year of operation. Stay-in-school is a national dropout prevention strategy comprising three components: public awareness, mobilization of stakeholders, and programs and services.

Stay in school programs and services aimed at young people at risk of dropping out are delivered under START. Funded under the national stay-in-school initiative, the START option provides funding for a variety of labour market programs and services designed to keep high school students from dropping out.

Business, community organizations, municipal governments, public health or education institutions and band councils all co-operate with Employment and Immigration Canada in START initiatives.

START activities include many innovative approaches aimed at giving young participants life skills training, personal financial management ability and work experience.

[*Translation*]

Because we must keep working at reducing this 30 per cent dropout rate—even during the summer holidays—about 420 student employment centres are open during the summer. This year we will celebrate the twenty-fifth anniversary of the centres, which were created to help young people find summer jobs.

Canada Employment Centres for Students help students find jobs and they help employers find workers. The staff in these centres are university students themselves. Their job is to offer students the practical guidance they need to find a job, including advice on how to look for work, draft a curriculum vitae and prepare for an interview.

• (1050)

Canada Employment Centres for Students also offer information on various federal and provincial programs. In 1992 the centres made more than 171,500 placements across the country. In addition, more than 106,200 people took advantage of information sessions organized by the centres.

The Canada Employment Centres for Students also help employers. The centres offer direct access to placement and posting services as well as information on remuneration levels, federal and provincial legislation and programs for young people, and information on the number of students available.

We are understandably proud of our efforts and success in this field.

[*English*]

Take the challenge program which has helped tens of thousands of students locate summer employment since 1985. Challenge helps students gain practical work experience that will assist them to make the transition from school to work. It encourages employers to create jobs and to sponsor on-the-job training for young people.

Challenge '93 will maintain a strong link to the national stay- in-school initiative. It focuses on helping those who have the most problems finding work. Employers are encouraged to hire high school students who traditionally have the most trouble in finding summer jobs.

Challenge offers five options to employers, students and young people. SEED, the Summer Employment Experience Development option, provides wage subsidies to employers to create summer jobs for students. As far as possible, SEED complements provincial and territorial student employment programs, a co-operative process started under this government in 1985.

[*Translation*]

Last month, I announced that $88 million will be spent on the Summer Employment Experience Development component of Challenge '93. That is an increase of $5.1 million over the amount set aside last year for SEED.

I also decided to extend for one week, until March 19—tomorrow—the deadline for applying under SEED. By extending the deadline and increasing funding, we want to encourage employers in the private sector to create as many summer jobs as possible this year.

We believe employers realize that by creating summer jobs for students, they are helping Canada's labour force of the future. Despite the prevailing economic climate, students should not give up on finding a job.

We also increased funding for the Student Business Loan Program, from $0.9 million to $1.14 million.

The purpose of the Student Business Loan Program is to help young people who would like to start a business to create their own summer jobs. Under the program, students can get loans of up to $3,000 to operate their own small business during the summer.

In 1985, first year of the program 101 loans were approved and 229 summer jobs were created. In 1992, the number of loans approved was 995 and as a result 2,218 students were able to find summer jobs.

This component is offered through the Federal Business Development Bank, in co-operation with the Royal Bank of Canada and the National Bank of Canada.

This year British Columbia will join the group of provinces that offer this component of the Challenge Program: Newfoundland, Quebec, Manitoba, Saskatchewan, Alberta and the two territories.

[*English*]

The business drive for jobs is a collaborative effort by business organizations and companies to challenge their members and the business community to create additional employment for students during the summer without using government wage subsidies.

• (1055)

With its local hiring emphasis the business drive for jobs helps both students and employers. Students gain work experience and learn about career opportunities in local businesses. By the same token, the employers are introduced to potential future employees.

Another challenge option is the Native Internship Program which creates employment opportunities within Employment and Immigration Canada offices for aboriginal students. It is designed to enhance the job search skills of participants and to introduce them to public service as a possible career.

Another of EIC's youth initiatives is the co-operative education program which channels funds to educational institutions to assist them in running provincially approved work-study programs.

Last August I announced almost $25 million in new funding for co-operative education for the period 1992-96. This is an increase of about $4.5 million over the 1991-95 allocation. It will go toward co-operative education programs at 135 secondary and post-secondary institutions across Canada.

As I said at the time, co-operative education plays a significant role in helping young people gain valuable work-related experience. It is an important bridge between the classroom and the labour market.

Altogether, EIC programs specifically for young people, including stay in school, co-operative education and SEED, spent over $211 million nationally in 1992-93 helping young people find temporary employment and preparing them for full-time participation in the labour force. This is on top of our regular employment and training programs that are also widely used by young people.

[*Translation*]

We are accused of not keeping our commitments to the young people of this country. I disagree. We also have agreements with Newfoundland and New Brunswick concerning the Youth Strategy. These agreements were first signed in 1988 to help young people in these provinces continue their education and get the training and experience they need.

Perhaps the hon. member would care to explain to 17,600 young people in New Brunswick who took advantage of services provided by access centres financed jointly by the federal and provincial governments in what way this government has failed to meet its commitments. These centres offer young people counselling and evaluation services and direct them to training, study and job creation programs offered by the federal and provincial governments. Most of the young people who come to the access centres are between 15 and 24 years old. About 45 per cent dropped out of high school very early on and need basic training.

When we asked young people whether they had a place to go to talk about jobs, training, education or personal problems before the access centres were created, 64 per cent of the young men and 71 per cent of the young women replied they did not. When asked whether they were satisfied with the help they received at the centres, 86 per cent of the young men and 90 per cent of the young women said they were satisfied or very satisfied.

[*English*]

I suggest the hon. member talk to these Canadians.

Federal and provincial contributions for the Newfoundland agreement total $56.5 million of which $39.5 million represents federal contributions. As of late 1992 there were approximately 2,200 participants actively involved in Youth Strategy projects in Newfoundland. A total of 9,500 youth had participated directly in projects sponsored under the Youth Strategies since 1988-89 and another estimated 50,000 youth have been directly affected by these projects.

These are just a few of the ongoing efforts by this government to help Canada's young people. Rather than "robbing" young Canadians as the motion alleges, this government has moved to do precisely what needs to be done.

• (1100)

[*Translation*]

Of course we need a competent and highly qualified labour force. Of course the government is concerned about the problems facing young Canadians on the labour market.

What will the future be? There will be stimulating opportunities, but also certain realities that will be more difficult to cope with. Young Canadians can choose from a range of more than 15,000 occupations and a wealth of innovative courses that will help them acquire the knowledge and skills they need.

On the other hand, the labour market is becoming increasingly complex. Because of global competition and new technologies, Canada's labour force of the future will have to meet tougher standards. Today's youth will have to stay in school longer and have more skills than past generations. To be competitive students must have a solid grounding in mathematics, languages and science.

As I just explained, we are doing what has to be done to help the young people of this country prepare for the challenges of a constantly changing world. We are certain that our young people and the entire country will be able to meet these challenges.

[*English*]

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, the minister spoke about problems of financing. The government has found $5.8 billion for helicopters which chase submarines. Does he know that if that money were spent on things like youth programs, I am told there would be up to 75 times more jobs created. That is if the money were spent that way rather than on submarine-chasing helicopters.

[*Translation*]

I must say to the minister that I fully support this program, which is intended to help people continue their education. But can he quote any figures to indicate the level of funding for this program? Does the program have any funds left, and which regions will be able to take advantage of this funding? Apparently there is a lack of funding in some of Canada's regions.

Finally, I also have a question about the school dropout rate. I will quote what was said in *Agenda for Youth*, a report by the Liberal Senate and House Committee on Youth, published three months ago. It indicates, for instance, the partial illiteracy rate among individuals between the ages of 16 and 34 and born in Canada. Among young people between the ages of 16 and 24, the illiteracy rate is almost 30 per cent, while innumeracy is almost 45 per cent. Among 25-year-olds the illiteracy rate is nearly 20 per cent, while innumeracy is about 30 per cent.

What do the minister and the government opposite intend to do in this rapidly changing world, to deal with this effectively—and I am not talking about what they said they would do, because it is easy to say a lot of nice words that don't mean much—what will they actually do to help young people across Canada?

Mr. Cadieux: Mr. Speaker, in concluding the hon. member said that nice words are not enough. That is quite true. We are accustomed to hearing that sort of thing from hon. members opposite, words that fail to offer any solution whatever. For instance, the Official Opposition wants to get rid of the GST but they will not tell us now what alternative they have in mind and how much it will cost Canadian taxpayers.

That being said, I agree with my hon. friend that words are not enough, and if he had listened to all 20 minutes of my speech in which I mentioned some of the practical steps that have been taken by the Government of Canada to help the young people of this country he probably would not have put his question. But he did, which again goes to show that to them what you say is more important than what you do, although they would never admit it.

• (1105)

Again, I regret the fact that my hon. friend, and I assume this is part of their strategy, tried to compare the helicopter program—because that is what he was referring to—to other programs in other envelopes of this government. I may remind him that although these are hard times, the government invested—and I am getting back to his second question—$296 million in the Stay in School Program to deal with a very serious problem. I don't think we should play politics with the high school dropout rate in this country, since these young people are tomorrow's labour force and some of them will take our seats in this House.

We must do something about this fundamental problem. Education will provide the necessary tools to meet the challenges of the future in a rapidly changing world, a global economy, and a world of fierce competition. We must concentrate our efforts on dealing with this problem. The hon. member would have Canadians believe that the Challenge budget was cut in half, but he is wrong, Mr. Speaker, There was some redeployment of funding within the program in order to focus on the fundamental problem: the school dropout rate. However, the other initiatives and options in the program are there to deal with other problems. Yes, funding is still available. This is a five-year program, and we allocate funding by region, as we have done since the beginning of the program.

[*English*]

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I have a question for the minister. He has laid out for us some of the initiatives the government has taken. I am somewhat surprised he did not mention the fact that in the late seventies and early eighties when the Liberals formed the government they began the process of cutting back on transfers to the provinces. They began the process of capping the transfers.

Research we have done into this seems to indicate that the major provinces, those that are seen to be healthy, had the biggest change in funding. In the province of Ontario that amounts to something like $4.4 billion in different types of funding that has been removed from the province's budget.

I am surprised that the minister did not at least acknowledge that the Liberal government began this process. It is true that his government has embellished it, but when one makes a major structural financial change such as that in how schools are funded, how can one possibly be surprised and shocked that the drop-out rates have escalated, that illiteracy continues to flourish and that children still live in poverty? When one initiates a major fiscal change such as the Liberals did the end result of that surely is obvious. All of the resultant problems are right there in our educational system today.

I am somewhat surprised that the minister did not even give credit where the credit is due, to the Liberal Party of Canada.

Mr. Cadieux: Mr. Speaker, as I indicated a little earlier, I do not fall easily into partisanship and I am taken somewhat by surprise at having to arbitrate debate. From what I can understand, that would be better addressed between my friends on the other side.

I am sure that during the day, acknowledging that we have done everything that had to be done, they could pursue the discussion among themselves to find out what went wrong in the seventies and the eighties, or perhaps what is going wrong in Ontario today. However, I absolutely do not want to deal with that specific issue. I will leave that to hon. members to debate among themselves.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I will make my question short.

The problem we have is that the minister gets up and talks about all the programs the government has been responsible for initiating, all the statistics and all the numbers. The problem is that there is a difference between what is happening in the programs and what is going on in reality.

• (1110)

I am convinced that the lack of action on these programs is something that many members of Parliament are not focusing on. There are a lot of good programs in the Government of Canada and some of them go back many years. They are not just Conservative programs, a lot of good programs are Liberal programs. But we are having a problem today actioning these programs.

We have these kids out on the street who hear about the Challenge program or the retraining programs but when they go to either fill out the forms or try to get involved in one of them they come back empty. What they are asking is: "What good are all these programs"?

It is not unlike the Small Businesses Loans Act. I have been made to look almost like a fool in the last two weeks by the government promoting the Small Businesses Loans Act. It sends the small businessmen to the local banks and they come back not knowing anything about it because the government has not actioned its own policy.

I wonder if the minister would care to react to that and maybe in the spirit of non-partisanship admit that even though there are some good programs in the hopper, they are not being implemented fully.

Mr. Cadieux: Mr. Speaker, my hon. friend raises a few interesting points. Some of them I am prepared to acknowledge. It is true that some of the programs in place right now were in place before this government came to office. Because those few we kept were good, we have enhanced them and maintained them. I am prepared to admit that.

We have also brought in the other programs that go hand in hand with those in order to give the greatest number of opportunities to our young people.

When my friend suggests that there are some programs that are either misunderstood or perhaps even not applied, that is probably true. In some cases it is because programs have been changed or are in the process of being changed. Perhaps some people, rightly or wrongly, did not get the appropriate information at the right time to respond to the people to whom my friend is referring. That of course has to be corrected.

There is absolutely no question that if the programs need to be enhanced or corrected this minister is prepared to look at that very seriously. In fact, the prosperity initiative is going to permit us to do more in order to make sure that all of our initiatives address the entire picture, not just piece by piece. Sometimes the puzzle does not fit.

I think we all agree that we need the appropriate education, the appropriate training programs, the appropriate initiatives and also the connection between all this, particularly to address the step between school, college, university and the labour force. This has to be ironed out and the prosperity initiatives address that. The means and needs are going to be put in place in order to make sure that the system works and works properly.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, it is a pleasure to have this opportunity once more to participate in a debate on policies which are designed to provide young people with some answers to some of the serious problems of employment and social and economic dislocation that they face these days.

I suppose the point at which to begin this debate is to refer to the year 1985. That year was declared by the United Nations to be International Youth Year. I led a New Democratic task force on youth that went across the country talking to young people that year. They were given an opportunity to express their views on what their concerns were at the time and what the solutions might be.

• (1115)

It should be understood that one of the concerns within the United Nations was that in the industrial nations of the world there were accumulating large numbers of unemployed youth, youth who not only did not have jobs but who had very little prospect of jobs. There was concern that not having jobs would ultimately lead to a group within society that would constitute a serious social problem.

At that time, the government also sponsored a number of youth fora across the country within the context of International Youth Year. A number of us in this House attempted to get the government to introduce a coherent youth policy. We just heard the minister say that the prosperity initiative was somehow going to address the issue of a coherent youth policy. That just demonstrates one thing: that the government at the time, having made the promise it would adopt a youth policy that would address the issue of youth unemployment, failed to meet its promise. Now in 1993 we have yet another promise that will address the issue. There could be no clearer, more dramatic demonstration of the failure of this government's policies with respect to youth.

The report provided by Stats Canada in January entitled "Labour Market Trends for Youth 1989 to 1992" is interesting because it corresponds to the introduction of the free trade agreement as well as the beginning of the recession, really a depression, that exist now.

No matter what the minister may have said about the immediate short-term gains in youth employment, the fact is that between 1989 and 1992 youth unemployment rose from 11 per cent to 19.3 per cent. Unemployment among youth grew from 303,000 in 1989 to 431,000 in 1992, beginning to mimic the situation in the years 1984 and 1985.

What I think is significant in all of this is not only that youth unemployment has increased, but the number of youth who are looking for jobs, that is the number of youth in the labour force, has dropped. This is an expression of the hopelessness that plagues youth these days, that same kind of hopelessness which was identified back in 1984 and 1985.

We can refer to another bit of information which has been given broad public debate and discussion in recent months and that is the appearance of generation *x*. It is the product, the predicted product, of the failure of the governments of the eighties, including this government, in 1984, 1985 and continuing to this day. Unless something dramatic is done we may face yet another kind of generation, perhaps generation omega, those who are completely through and those who are completely disillusioned, disenfranchised and disempowered and consider themselves outside the pale.

The fact is that we have a serious unemployment rate. We have a serious problem with respect to the ability of young people to adapt to the new knowledge-based economy we now face.

We identified dramatic changes in 1985 in our task force report which have to be addressed. Youth must be prepared, but those initiatives simply have not taken place.

It is interesting to recall that just a few days ago the House justice committee published a report in which it indicated that if one really wants to address the issue of crime prevention in Canada, one has to focus increasingly on young people at risk and the underlying social economic factors associated with crime and criminality.

• (1120)

Certainly, if we are going to address crime then we have to address its roots. Crime is one of the expressions of the disillusionment and disenfranchisement of young people. Since 1984, the year before International Youth Year, there has been a 405 per cent increase in violent crime committed by youth. In general it would be too simple to describe it in these terms, but at least in part it is an expression of the frustration that inevitably will come to young people who are looking for jobs in the absence of any coherent policy to provide them with jobs and the training for those jobs in a population that has a 30 per cent innumeracy and illiteracy rate, which is an issue that has not been adequately addressed.

It has to be admitted that the illiteracy rate among youth is no higher than the general population, but in this day and age one would expect the educational system to provide better preparation than that. There is a 35 per cent drop-out rate in our school system. That reflects some of the concerns we heard when we had our task force. Youth thought their schools served them poorly. For example, we found, insofar as vocational

counselling was concerned, that the average high school student in this country faces a situation in which there is one counsellor for each 1,000 or 2,000 students. They need more help in that regard. They also said they wanted more co-operative programs and more work experience programs associated with schooling at the high school level.

There were a number of things that we suggested should be done at the time. Among those was to increase the funding available for co-operative and work experience programs. More important, we suggested a number of approaches to improve the situation with respect to training and education for youth. I will come to these in a moment.

We heard the minister bragging about the tremendous initiatives this government has undertaken. I have already indicated that this government's youth policies have been a failure. One might wonder why, in view of the large number and diversity of programs cited by the ministers, they are nevertheless inadequate. Well, they seem to have multiplied in a very peculiar way; they have increased in number but decreased in size.

We heard the minister, and it bothered me immensely, brag about the youth employment centres. The youth employment centres on college campuses right across this country have been closed down. We heard him talk about the Canadian Jobs Strategy and what contributions it was making to youth training and retraining. The fact is that while the Canadian Jobs Strategy, to an extent of 40 per cent, serves youth the government has cut $200 million from that program. It multiplied the programs and decreased the resources.

We heard the minister talk about the SEED program and the Challenge program. This is one area where we must concede to the Liberals. When this government came into office it cut the amount of money available for student summer employment from $240 million ultimately to $180 million right now.

We heard him talk about the SEED program. We heard him talk about co-operative programs. In order to fund work experience or co-operative programs for high school students the government took money from the SEED program and shifted it over to the high school level, resulting in $140 million being cut to $80 million for the SEED program. We heard the minister say that the SEED program has been increased from $80 million to $88 million over the last four years. While all that was going on the unemployment rate has almost doubled for young people, particularly in the summer.

• (1125)

That is hardly a record to stand before this House and brag about. We have heard my colleague mention what the government has done with respect to its obligations for post-secondary education. The accumulated cuts to the university and college system as a result of this government's actions, as well as those of the Liberal government before it, will amount to about $10 billion in a decade.

What is the result of that? The result is that universities find themselves severely cash-strapped. Libraries are in a state of deterioration. Laboratories are using archaic microscopes. I dare say that if the present trend continues the microscope of Antoni van Leeuwenhoek will be used in some of the laboratories of this country.

Not only are students gaining access to a university and a college system that cannot do a good job of preparing students for a new technological future, but to get there it costs more. Tuition fees have increased right across this country. I will give some examples. Between 1985-86 and 1991-1992 tuition for engineering undergraduates increased 145 per cent at McGill, 82 per cent at the University of Saskatchewan, and 92 per cent at Simon Fraser.

Meanwhile, because of these increased tuition costs 70,000 students were turned away from the universities and colleges of this nation last year.

This government's policies, which are intended to encourage university graduation and encourage students to gain an education, have resulted in a situation as a result of the real actions of this government in which on many campuses there are food banks. There are food banks at the University of Toronto, Simon Fraser University, the University of Manitoba, the University of Alberta and Dalhousie University.

Where do students from ordinary families get the funding to go to university or college? They get it from the Canada Student Loans Program. What is happening to that? This government is in the process of making it worse and worse. Just recently Bill C-76 passed through this House. Let me just mention something about Bill C-76 and the promises the government made back in 1985 about consultation and concern about youth. That bill went to a legislative committee which refused to hear from students, refused to hear what students would say about the fact that this government had imposed a 3 per cent tax on student loans and then turned around and eliminated the six-month interest-free period.

The government tried to make it sound good by promising those same students that the 3 per cent tax on student loans, which means that a student goes in and borrows a couple of thousand dollars and before he can get it home must pay $60 out of his pocket right then and there, would be eliminated when it eliminated the interest-free period. It did not do that.

Students have had the government stick its hands in their pockets for a total of about $70 million in additional costs to students across this country for a program which is supposed to encourage accessibility to universities.

Now it intends to make it a single bank program in which student loans would be made available on the same basis as any other private loan, a single bank perhaps will do it. It is going to insist that a student carry at least 80 per cent of a full load thus making it more and more difficult for part-time students to gain access to university. This government has a lot of nerve coming into this House and bragging about what it has done for young people, who are hurting right across this country.

• (1130)

We urgently need a coherent, broadly-based program to eliminate illiteracy among youth, to ensure that every child in this country, as our party suggests, will have access in this new socio-economic environment to the necessary preparation for school through a broadly-based increase in the availability of day care, not day care for just care but day care for education.

We need a program that will provide broader access to work experience such as the national community youth service that we suggested. We need a program that will provide funding, as we suggested in our task force report, for youth between the ages of 18 and 24 for two years to make it possible for them to go to college or university, to engage in entrepreneurship, to be retrained or to take apprenticeship for two years. That would ensure that more and more of our youth would have access to a reasonable choice about what kind of training or educational alternatives, and therefore vocations, are suitable to them and it would not be dictated by their ability to pay. These are the kinds of programs we need.

Mr. Speaker, if you want to see a government that is interested in youth then contrast the cutbacks by this federal government to the 70 per cent increase in youth training funds in Ontario, to the JOY program of last summer which appealed to so many young people.

I want to congratulate the Liberals for having introduced this motion. I want to congratulate them for having had a report on the needs of youth. That report was an excellent report in reporting the needs but it was very short on describing the solutions. They are calling the kettle black when they accuse this government of not having policies. They came late to the scene.

I hope in identifying the problems as the Liberals have in that report and in condemning the government for what it has done that they will do in this area what they have not done in very many areas, and that is come up with policies that will address the issues they have raised in more specific terms than they seem inclined to do.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I listened very closely to what my hon. colleague was saying. I would like to ask him about his colleague at Queen's Park, the premier of Ontario. They both are members of the same political party. I would like him to comment on some of the actions taken by Mr. Rae with regard to students.

The member knows that education is primarily a provincial responsibility. As I understand it, his friend and colleague, Mr. Rae, the premier of Ontario, has cut

back on funding for students wishing to attend post-secondary institutions. That is the first part of my question.

Second, I would like to have the member comment on what it would cost to implement some of the very worth-while programs he was suggesting a few moments ago. I do not think there is much disagreement in this House with regard to some of these programs. However, the NDP are quick to suggest new programs but very rarely does it attach a price tag to any of these specific programs. Is it any wonder that the NDP is so lacking in credibility when it comes to these matters?

Can the member comment on Mr. Rae at Queen's Park, and can he provide this House with some specific costings for each of the programs he is suggesting? Once he has done that, can he explain how he would pay for these new programs. Would it be through increased taxes or by way of other programs being cut? Can the hon. member please comment?

Mr. McCurdy: Mr. Speaker, the hon. member has perhaps been in this House when I have expressed deep concern about the action by the Ontario government in eliminating grants to students. However, it should be understood that the grants to students were coming out of provincial coffers. When we really look at it, that was one way of shifting the cost to the Canada Student Loans Program and therefore increasing the available provincial funding to universities.

• (1135)

This is a direct result of the cuts in EPF initiated by the Liberal governments beginning in 1975. Yet I would say the new super-minister of education and training, my colleague Dave Cooke in Windsor, agrees with me. I have no doubt a re-examination will take place with respect to that.

In respect to some of the programs I have suggested, I suppose there would be some curiosity among the Liberals about the ideas that the New Democrats have brought forward. The Liberals will inevitably see what they can borrow. That is why their youth report contains so little substance. We will be specific about those programs I have suggested.

In fact the child care program we have suggested will cost $100 million in the first year and ultimately $1.7 million in the last year. This is within the context of a broadly-based program of worker empowerment training and education and investment. After five years it will ultimately lead to a $10 billion cut in the deficit.

With respect to the program I have advocated concerning youth prospects which would provide two years of training to young people between the ages of 18 and 24, this was costed. In the first year it would cost about $400 million and ultimately about $1 billion. That of course does not take into account the expenditures already being made with respect to the administration of other student aid programs which would incur a savings if this kind of program were introduced.

Mr. Nunziata: Mr. Speaker, my friend raced through those numbers so quickly he hardly had time to breathe. He talked about a $10 billion return. Is he really serious about that with regard to the first program he was mentioning? Where does he propose to get the money from? In the second program he talked about $400 million. He said it so quickly it almost sounded more like four cents or 40 cents. That is a lot of cabbage. I am sure that my friend will agree.

Where does he propose that money will come from? He knows as we speak that his friend Roy Romanow is about to cut the civil service in the province of Saskatchewan. He is about to cut loose all his friends in the labour movement. Bob Rae as we speak is talking about cutting back tens of thousands of civil servants in the province of Ontario.

While they are talking about cutting back at the provincial level, they have their youth critic here in Ottawa talking about spending, spending, spending, in a very irresponsible fashion I would submit. I would hope that the hon. member and his party, before they start talking about all these new programs, would be kind enough to inform us in detail where this money is to come from.

Rather than simply saying that we give it time and as the economy improves we will end up paying for it, someone has to pay the bill every month. It seems that members of the NDP are always inclined not to worry about the fact that there is a mortgage payment or a rental payment coming up at the end of the month; they are just prepared to put this country and this province further into debt.

Is it any wonder they have so very little credibility?

Mr. McCurdy: Mr. Speaker, I do not know how this hon. member has the gall to stand up here and talk about

credibility. He has already demonstrated to the whole nation watching this debate on television that he is an extremely slow thinker, even for a member of the right wing of the Liberal Party.

I know I might have gone too fast for the hon. member. I think it is important for him to understand that we are talking about a federal issue here and the role of the federal government.

We are not going to talk about the cutbacks. We are not going to talk about the cutbacks in the civil service by a Liberal government in Newfoundland or a Liberal government in New Brunswick or a Liberal government in Quebec. We are not going to talk about the fact that those Liberal governments have higher proportional and faster growing deficits than Ontario.

We are not going to talk about that, but I will continue to go as slowly as I can so that this right wing deficit preoccupied member of the Liberal Party who seems to be so slow in grasping things will understand.

• (1140)

I did not say, for example, that day care all by itself would lead to a $10 billion cut in the deficit. What I said was that an over-all program designed to produce jobs of the sort that the Liberals have been challenged by almost every newspaper in this country to produce and will not, will lead to in context over all a $10 billion cut in the deficit over five years.

The Acting Speaker (Mr. Paproski): The hon. member's time has expired. I am sure he will be able to read it in *Hansard*.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I am very pleased to have the opportunity to address the House on this motion as proposed by my good friend the hon. member for Haldimand—Norfolk. It is a fact that young Canadians are confronted by numerous challenges. Steps we take to help them will have a direct impact on all our lives.

Last year I had the privilege of serving as co-chair of the Liberal Senate and House of Commons committee on youth. My colleagues and I travelled across Canada. We went to every province and the Arctic and met with hundreds of Canadians, both young people and those interested in helping them.

We met with teachers, students, fishermen, farmers, police officers, people who run drop-in centres as well as aboriginal groups and multicultural groups. Through those meetings we learned a great deal about the state of youth in Canada. I can say that for many of them the situation is bleak.

Young people today are faced by rising unemployment, fears about job security and feelings of alienation. They are frustrated by an education system that cannot help the 100,000 high school students who lose hope and drop out of high school every year. That is 100,000 a year, one million in a decade. It is a system that fails to address the high illiteracy and high innumeracy rates that afflict our youth.

Young people worry about not having the skills needed to find jobs in tomorrow's knowledge-based economy. They cannot understand why the federal government will not provide them with opportunities.

Everywhere our youth committee went, whether it was in Moncton, Quebec City or in Edmonton, the message was always the same: Young Canadians feel that they have no future. Many are deeply troubled by the present situation. They are desperate for a new vision of Canada, a vision that will restore their hope and show them a future.

Young people, their parents, their teachers, people in youth-serving organizations all look to the government for guidance and leadership. Sadly, this government has turned a deaf ear to their concerns.

For the past two years our youth have struggled alongside other Canadians through the worst recession in recent memory while the government turns its back on the human misery created by the recession. Is there misery in this country? Ask the two million Canadians lining up at food banks. Forty per cent of that number are under the age of 18.

That neglectful attitude is also evident in other areas. Look at the unemployment rate. While the general population now has a rate of 10.8 per cent, youth unemployment stands at 16.7 per cent which means that almost 400,000 young people are listed as unemployed. That is a trend which has maintained itself throughout the recession.

The youth unemployment rate has always stood at approximately six percentage points higher than the general unemployment rate. The number of unemployed youth has risen steadily since 1988, going from 303,000 to 431,000 in 1992.

• (1145)

How did this Progressive Conservative government respond? Well, it responded by diminishing opportunities for young people. Because of government cuts the jobs created by SEED, the summer job creation program, went from 94,115 in 1985 to 53,800 in 1991.

The government has also cut deeply into funding for post-secondary education and in training programs for youth. In 1991 the Conservative government cut transfers for education by almost a half billion dollars and in the 1992 budget another $800 million was cut.

This assault on youth has to stop. A new generation of political leadership in this country will achieve that.

I was born in 1960. My generation grew up believing that if we worked hard and received a good education we could expect to do better than our parents did. But as we see, times have changed and that is no longer the case.

As a member of Parliament I have spent the past four years listening to the voices of young people throughout Canada. I can say that an entire generation of young Canadians is learning that the rules for inclusion in our society have changed. Instead of an unlimited future, today's youth are confronted by diminishing opportunities.

The Liberal Party of Canada is determined to restore hope and offer a future to Canada's youth. We are determined to get our economy moving again, rebuild Canada's economic leadership, create highly skilled, highly paid jobs and reclaim the future for our children. We want to create a society that will be able to compete globally, protect the environment and provide opportunities for its members.

Young people are an important part of our vision. That is why we are committed to giving them the tools they need to build their future in the new economy, an economy where young people will be full partners.

We call on all our economic partners—business, labour, all levels of government—to join us in a program to eradicate illiteracy and innumeracy among our youth. We call on them to help us promote co-operative education, to encourage work place training and to help us develop national education strategy goals.

The Liberal Party of Canada is committed to establishing a national apprenticeship training program, to creating a Canadian youth service dedicated to environmental protection and responding to the social needs of our communities.

The Chrétien plan outlined earlier this year offers the promise of developing an educated work force with world-class skills. It offers the promise of a globally competitive economy and a learning culture that can easily adapt to change.

This is the direction in which we want to go. This is the Liberal vision of the future. We are determined to make that vision a reality.

The message we have received from young people is clear: They do not want political leaders to sit idly by; they want them to act. Government has a moral responsibility to provide opportunities for its young people. In turn, young people have a moral responsibility to make the most out of those opportunities.

Young people understand they have an important role to play and they are ready to take up that challenge. They also understand that the future is not a gift, it is an accomplishment.

• (1150)

We know on this side of the House that by building an effective partnership with the key stakeholders and young Canadians we can achieve the vision that we have outlined today.

The future of this country depends largely on the political will to act and to effect positive change for young generations. For far too long, this government has been silent on developing an effective agenda for young people.

I think that we, as an opposition party in Parliament, have outlined to the government what we as a party in government would do. It is a serious program that I am sure will make a difference. Together with young people we will make it happen.

Mr. George S. Rideout (Moncton): Mr. Speaker, I just want to compliment the member for York North on an excellent address that outlines a direction and a policy. I think that all members should be cognizant that this particular member has done a lot of work with respect to youth and the agenda for youth.

I know that in the process of preparing for the new direction that the Liberal Party is going to offer with respect to youth the member for York North travelled around the country and consulted. Therefore the recommendations and the views that are expressed have come from the bottom up rather than from the dictatorial methods employed by the government.

I wondered whether the member could tell us of his visit to Atlantic Canada. I know he was in my own riding of Moncton. What feedback was the member getting from youth and what directions did they indicate that we as a government should take?

Mr. Bevilacqua: I would first like to stress the point made by the hon. member that I think is of extreme importance. We as Liberals realized a long time ago that there must be a new style of politics in the 1990s and that people must be partners in the development of policy with our party and indeed within our country.

I may tell you that 3 of these 10 recommendations that are part of the agenda for youth are now a part of our electoral platform. Unlike what the members opposite often say about opposition parties that do not make their agendas available early on, I can sincerely say that we have been telling the Conservative government since January what our agenda for youth will be.

On the point raised about Atlantic Canada, there is a generation of young Canadians in Atlantic Canada who reflect the national concerns. They have fears about job security. They are concerned about the unemployment rate. They are concerned about how the federal government has not been able to equip them with the vehicles of opportunity to deal with global changes, the global economy and global competitiveness.

What is of major concern to Atlantic youth is also that their economy is being restructured but nothing is being done—not only for them but for their parents—during this adjustment period. They feel shut out and alienated from the entire process of government.

The Liberal Party, as the modern party that it is today, has decided to open the doors wide to ask Canadians at the grass roots level to tell us what they think and what their concerns are. I am proud to say that the agenda for youth is not only the work of parliamentarians but it is the work of young people from the Atlantic to the Pacific, from coast to coast to coast. That is the way this party will proceed for many years to come.

• (1155)

[*Translation*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I would first of all like to commend my colleague from Haldimand—Norfolk for this opposition motion because I believe that the subject is extremely important. I would also like to commend the member for York North for co-chairing the committee which studied the problems of youth throughout Canada. I believe that these two events will hopefully make a tremendous contribution to this great challenge facing the country today. For me, the fundamental question today is this: What should we do, what do our young people need today?

[*English*]

Let us look at that. It seems to me that what Canadians want—young people in particular—is hope, empowerment, dignity and an education that will lead to jobs. Clearly that has to be the focus of government because our future, yours and mine, Mr. Speaker, depends upon our young people being well educated and well trained and having the kinds of jobs that can not only sustain that which we have in our country today but also that which can be used to build upon for future generations.

The recession is supposedly over and yet we are talking about unemployment rates of 16 per cent and 17 per cent. In some parts of the country for our young people it is in excess of 20 per cent. If we were to go to certain groups in our society, for example our aboriginal people, it would be very, very close to total unemployment. This is a far cry from full employment.

That depresses me. I take it that that concern is shared by all my fellow parliamentarians.

I remember travelling across Canada a couple of years ago to talk to the young people in our colleges and universities and other young people who were in the work force to ask them about how they saw the country and their future. There was uncertainty. There was not the enthusiasm that one normally sees among our young people. I noted and they reminded me that both education and jobs are rapidly escaping the grasp of many of our young people today.

Between 1985–86 and 1992–93, tuition fees have skyrocketed out of sight. Let me give some examples. The fees have grown by 69 per cent at Memorial University and 185.7 per cent at Northwest Community College in British Columbia. I could give more examples that are even more striking.

Those are tuition fees. We often forget to talk about incidental fees, which are those other fees that students need to pay. They have grown in certain sectors by even greater percentages.

For the first time in our history the young people of Canada are paying the goods and services tax on books and reading materials so they are being hit again. They are unable to find suitable employment. The summer of 1992 was one of the worst ever for young people. They either had no jobs or if they did have jobs they were poorly remunerated short-term jobs so they were unable to save and contribute as fully as they could have to their education this year. It was a real disaster. I am really hoping, as I know my colleagues are, that things will really change.

What has been the government's record with respect to post-secondary education and making it more accessible? Without being partisan whatsoever I assure you that it has not at all been laudable. I will let the people be the judge.

Let me share this with you. The criteria for the allocation of student loans was set in 1984, almost a decade ago. What has changed? Absolutely nothing. This is totally inadequate. Obviously the costs have gone up dramatically. I will give an example of someone who is going into the faculty of dentistry in my province. The loan money that he or she can get will not even cover the fees for that particular student. Surely that is inadequate. Surely we are reaching the level where education becomes available to those who are the richest in society.

Quite apart from not changing the student aid program in a positive kind of way, the government did some very regressive things. It imposed a 3 per cent tax on student loans Mr. Speaker, if you, and I had to borrow as students it was because we did not have enough money. Obviously that is why we borrow. Yet at the same time it has imposed a 3 per cent tax on that. Those who do not have to borrow do not have to pay the tax. However, those who do not have the resources have to pay the tax.

• (1200)

What else did it do? There used to be a six-month interest-free period so that I, as a student, could graduate, get a job and then start repaying my loan. What has happened? Now it is in the process of changing that. There is going to be six months' interest more to pay. It is interesting that the 3 per cent tax is going to yield to the government coffers, according to government estimates, $22.5 million. This additional six months' interest would yield to the government coffers, once it is fully instituted, $35 million. That is an additional almost $60 million out of the pockets of our young people.

That is what the government has done.

What has happened as a result of that? Obviously student debt has gone up at an exponential rate. It is really going out of sight.

I want to share the following example with you, Mr. Speaker, because I know how interested you are in young people. There has been a 500 per cent increase in the number of students who graduate with a total debt burden in excess of $10,000 during the last four years.

Now the government is talking about the first step toward privatizing the student aid program. It sends out submissions to banks to ask them if they could handle it. The students are very clever. They say: "Just a minute, there".

[*Translation*]

What criteria will guide the decisions in making student loans? Then they asked who will set these criteria and what the role of the bank or banks will be in this whole process.

Mr. Speaker, I assure you that students are very nervous. Why? Of course if they have money there is not so much of a problem. However, if they have few resources what will happen? Will colleges and universities be less accessible? Will these young men and women who want to pursue their education be able to do so with a loan that they will have to repay later?

[*English*]

I want to recap and point out that the government has cut transfer payments to the provinces for post-secondary education. I have said it time and time again in this House. In roughly a decade of government control it will have reduced and cut back the grants and the transfer payments for health and education by $30 billion. It is not $30 million but $30 billion. It is about $20 billion for health and about $10 billion for education.

As a result, as I indicated, the universities have increased their tuitions and incidental fees. Student loan criteria have not changed since 1984. There have been some regressive measures such as the 3 per cent tax and the addition of six months' interest. All of that, quite apart from the goods and services tax, is penalizing students. They have taken hit after hit after hit with no relief.

These students are graduating with huge debt loads and the prospects of a job are not particularly good; they are either over the short term, poorly remunerated or they do not exist.

Let me share some examples as to how the student aid program, quite apart from the 3 per cent tax and the additional six months' interest, has really caused difficulty.

There is a young woman in my riding—and I could give a dozen such examples of this—she is the mother of three. She defaulted on her student loan because she was unable to find a suitable job. She was unable to find any job. Now she is being threatened with the possible seizure of her child tax credit on her income tax return. She really is. This is the absolute truth. Besides that, she is being harassed by a collection agency.

I understand that one has to try to collect the money but one cannot draw blood from a stone. Surely a mother of three who has done her best to get a job should not be harassed by anyone for money that she cannot repay.

In another instance, I have a constituent who took out a student loan and decided to take a three-year program at university. He studied for two years, ran out of money and went back to work in a responsible kind of way. He then wanted to go back and complete the third year. Lo and behold, that was not possible because he had supposedly defaulted on his loan.

Now he has to wait. Will he be able to borrow money again? After he has gone through a number of hoops and hurdles, I suspect that it will be possible.

Can one agree with me that this is not the kind of program that we need? This is not the kind of program that you and I and other parliamentarians want. We need a program that is going to be truly sensitive to the needs of young people and will encourage them to finish their education.

• (1205)

I know I am running out of time. I do wish I had another hour. I am sure that I could share some insights that would be useful not only to my parliamentary colleagues but as well to Canadians. I am sure some members of government will disagree with me, but let me say that even our training efforts are not particularly appropriate.

Many jobs are available today and yet training is unavailable to respond to those jobs. I am delighted that the leader of the Liberal Party has started to make very important statements about where the party stands with respect to education, on the job training, a Canada youth service, and our commitment to education. He issued a statement saying we want the best education training and retraining programs in the whole world so we can be competitive.

We need to make education accessible. We need to improve training and retraining to make apprenticeship and vocational training as well as a whole gamut of educational programs available if we want this nation to be a leader among nations and our young people to be leaders rather than followers.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I want to thank my hon. friend for his comments on education.

As he knows from travelling across the country, as he did from university to university talking to post-secondary education students, there really is a feeling out there of despair. We have a whole group of students coming out of university with no hope of a job.

As was seen in the *The Globe and Mail* this morning, the article headed, "Escaping the Student Debt Trap", we have hundreds and hundreds of examples of how students are going through university piling up debt upon debt. A student piled up $20,000 in government loans.

He then got out of university and had no chance of paying those debts back because he could not get a job.

I know the hon. member has talked to thousands of students across the country. He brought out a great report on ways he feels universities and governments can better adapt to these changing times in order to help students not only to get jobs but to get the education they need to find these jobs in order for Canada to compete internationally.

I want to ask my hon. friend where does he feel the government should be putting its priorities today in terms of education? Given that we have limited resources and that when the books finally come out in the next budget it is going to show that our national finances are in extremely rough shape, where should we be putting the priorities in terms of education?

Mr. Duhamel: Mr. Speaker, I thank my colleague for the question.

He indicated was there were three reports that were a result of travelling across the country and consulting with young Canadians over the last three years. They are available and I would be delighted to share them. They are non-partisan documents. They simply identify the issues, concerns and challenges.

With respect to where priorities ought to be placed, I think we should listen very carefully to young people, for example the Canadian Federation of Students. I presented a petition today on behalf of students from Saskatchewan. They represent over 450,000 students. They and the community colleges are telling us the following:

We understand we are in very difficult financial times. We are willing to do our part, but we also have to ensure we do not save money today and sacrifice tomorrow. We have to ensure not only that there is adequate money for education, training, retraining, literacy programs, research and development, but that the money is spent in the best way possible to respond to Canada's challenges.

What are those challenges? We all agree that economic development, the creation of jobs for young people, those who need jobs has to be the first priority. We also recognize, and I have said this through petitions and oral questions, that one of the greatest challenges this country faces—quite apart from economic development, the creation of good, long-term, well-remunerated jobs—are our social challenges. Look at the poor today. There are five million Canadians living at or below the level of poverty, most of whom are women, over one million who are children. Over two million Canadians will be fed at food banks. Over two million Canadians will receive social assistance.

• (1210)

These groups are often powerless. They do not have the necessary skills and education to integrate fully into society. We have to target moneys to those particular groups to make sure that they can, by themselves, have that which they need in order to get jobs and contribute fully to society.

We have to recognize that when they are not doing that they need to collect assistance from the public purse, and when they do that they do not feel very good about it. They want to be contributing to the public purse. That is what I would do, absolutely.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I will comment on the dynamic leading role which the Department of the Secretary of State plays in helping our young people grow, develop and become competitive in Canada and in the world.

To contribute to the full development of youth, the Department of the Secretary of State as well is doing its full share in five major fields of activity: funding post-secondary education, the youth participation program, the Canada Student Loans Program, official languages in education and special activities like Voyageurs Canada '92.

The government has a big role to play in education. Although education is under provincial jurisdiction, the federal government's expertise and funding means equal opportunity for all young people in Canada.

[*English*]

The action plan for Canada's prosperity released in 1992 called for a major effort on behalf of colleges and universities across Canada to become more responsive to the educational needs of Canada.

Canada spends approximately 2.2 per cent of our gross domestic product on post-secondary education. This may at first appear to be a modest amount, however in dollar terms in 1991-92 that amounted to almost $14.9 billion. The majority of that investment comes from the federal government. It reflects our commitment to developing highly qualified human resources which are critical to our future.

We support post-secondary education directly and indirectly. Through Established Programs Financing arrangements and other forms of support the federal government will channel about $8 billion into post-secondary education in 1992-93.

Contrary to what my friends opposite may suggest, this government has not cut funding for post-secondary education. We have been forced to impose restraints on spending to control our national debt and we are proud of our government's record in this area. Even in this time of restraint we are well aware of the need for investing in our future. To that end the total funding available for post-secondary education has continued to increase.

Established Programs Financing support for post-secondary education has steadily increased by nearly $100 million in 1990-91, by another $182 million in 1991-92 and by more than $72 million this year. The total Established Programs Financing support for post-secondary education now exceeds $6 billion. This is just basic support for post-secondary education.

The federal government has in 1992-93 forgone some $3.6 billion in tax revenue and contributed about $1.4 billion in cash. The federal government also provides direct support to post-secondary education through other programs. The Department of the Secretary of State is the lead department for co-ordination between departments and agencies for education matters. Without the involvement of the federal government, post-secondary institutions and their students will lose almost $2 billion worth of direct support including $123 million for post-secondary schools directly funded by the government. To put this contribution into perspective there are roughly the equivalent of one million post-secondary students in programs across our country.

• (1215)

[*Translation*]

Our support for each person registered in a post-secondary education program amounts to $8,000 a year, or about $30,000 for a four-year program. We are investing $8 billion in our future this year. That is certainly not robbing a generation of young Canadians of their legitimate aspirations. That is how we must build a strong and prosperous country.

Mr. Speaker, I would now like to talk to you about the Canada Student Loans Program. By helping needy students pursue their post-secondary education through the Canada Student Loans Program we are promoting the full development of the nation's youth. Basically, a Canada student loan is an investment in someone's future.

[*English*]

About a quarter of a million students are now in post-secondary studies with the help of the Canada Student Loans Program. More than half of the recipients are women and more than a quarter of the total are over 27 years of age. In every region of our country the Canada Student Loans Program assists needy students with a helping hand. This represents $740 million in Canada student loans for 1991-92, $100 million more than the previous year.

This sustained commitment to investing in the individual has resulted in Canada's enviable rate of participation in post-secondary education, about 62 per cent in the 20 to 24 year old group, second only to the United States at 68 per cent.

The program also contributes to the development of a well educated, skilled and adaptable labour force which is critical to increasing Canadian activity, competitiveness and our quality of life.

We have through the Canada Student Loans Program provided support for students to pursue their educational goals. This is an ongoing commitment to the potential offered by our young people.

This government has also committed itself to modernizing the way we fund and operate the Canada Student Loans Program in order to enhance assistance for needy students and to strengthen the program even further. There is more to post-secondary education than just the hard dollars invested in our future and our young people.

[*Translation*]

Activities to promote our two official languages are also part of our educational objectives. The Department of the Secretary of State is committed to co-operating fully with the provincial and territorial governments so that minority anglophones and francophones can receive education in their own language in their communities and help other people become familiar with the other official language.

Two major advantages flow from such a commitment. For one thing, it helps fight illiteracy and school drop-out by encouraging French and English speaking youth to acquire the skills needed to be competitive. For another, it is clearly advantageous on the world market for Canadians to know both official languages.

About 2.9 million young Canadians have benefited from the Official Languages Program of the Department of the Secretary of State and thus acquired essential skills for our common future. In 1990-91, our provincial and territorial partners invested $3 for every dollar allocated by the federal government to official languages in education. That clearly proves this program's success in motivating not only students but also those directly responsible for the administration of education in the provinces and territories.

According to a study of the Official Languages in Education Program conducted in 1992, the provinces and target groups believed that federal aid was absolutely necessary at all levels of the education system. Furthermore, 74 per cent of the parents questioned in that study want their children to learn both official languages in school. The promotion of official languages is a key to encouraging young Canadians to pursue higher objectives by calling on skills in which the federal government has invested.

• (1220)

Several components of the Official Languages in Education Program have yielded amazing results. For example, about 7,000 students take part in French or English immersion courses every summer, thanks to a special program.

Every year about 1,200 students have part-time employment as teachers' aides in courses in French as a first language, under the Official Languages Monitors Program. In addition, the program helps some full-time monitors in rural or remote regions.

The Official Languages Promotion Program funds some 20 organizations of young francophones throughout the country that are committed to fighting assimilation and promoting the feeling of belonging to Canada.

In Quebec the program helps young anglophones continue to play an active role in their own language in Canada.

In co-operation with all provinces and territories, various programs promote the growth of post-secondary institutions in all parts of the country that teach the official languages. Right here in Ottawa, the Department of the Secretary of State and the ministry of education of Ontario are helping to finance the *Cité collégiale*. This is not just a small grant; it involves creating a whole new French college in Ottawa.

The *Cité collégiale* is one of many projects in which the department is taking part all across the country. The government is interested in the issues that concern all Canadians. It is not satisfied with mere rhetoric; it does not hesitate to participate financially and to act on the strength of its many years of experience, competence, planning and deep commitment.

[*English*]

Speaking of actions, the government is also involved in outreach youth through our other programs. Many of our programs target the youth of this country as a principal audience or as a specific subset of the main audience. Programs like *Stay In School* encourage high school-age young Canadians to graduate from high school. Funding for 10 official language minority community radio stations speak often to the youth in their own language. Also, our involvement directly creates 200 jobs.

The Education Support Branch of the Department of Secretary of State is also responsible for funding Canadian studies learning materials. The department co-operates with the Department of External Affairs to ensure the effectiveness of our participation in international education forums and activities. As well, the Education Support Branch is involved with non-governmental organizations that are active in education. The Association of Universities and Colleges of Canada, the Canadian Association of University Teachers, the Canadian Federation of Students, the Canadian Federation for the Humanities, the Conference Board of Canada and the Canadian Education Association are just a few of the organizations with which the department deals on a regular basis.

We must also mention our work with the Commonwealth Youth Program, the International Council for Canadian Studies and Canadian Information Centre for International Credentials as part of our UNESCO commitment.

The Department of the Secretary of State produces hundreds of publications for educators, teachers, administrators and resource centre staff. As an example, they produce the *Guide to a Good Exchange* which shows voluntary organizations how to maximize the over-all success of a reciprocal student exchange with tips on fund raising, organization and planning.

The department works with people who have disabilities through National Access Awareness Week and the Disabled Persons Participation Program. Both include youth involvement.

The Native Citizens Directorate programs feature community-based programs that target the youth of this country.

Finally, Mr. Speaker, we come to our special programs. My friend opposite should be familiar with Voyageurs Canada 92. Indeed, his own riding of Haldimand—Norfolk was paired with Dartmouth, Nova Scotia as part of the Voyageurs Canada 92 program. One hundred young Canadians between the ages of 16 and 21 left Dartmouth and travelled to his riding last summer to experience life in another part of Canada first hand.

• (1225)

Another 95 young members of his riding travelled in turn to Dartmouth to see life through Nova Scotia eyes.

On behalf of the Secretary of State, I would like to thank the hon. member for joining us to create such exciting educational experiences for our leaders of tomorrow.

In all, nearly 28,000 Canadians took part in Voyageurs Canada 92 as part of the Canada 125 celebrations. Thousands more people, not just young Canadians, but Canadians of all ages, felt the effects of Voyageurs Canada 92 through the joyous exchange of stories and memories and even the learning that comes from spending time with someone from a different part of the country.

Since 1986 some 100,000 young people participated in exchanges funded under the OHC. An example is the Encounters with Canada program at the Terry Fox Centre here in Ottawa, which brings approximately 3,000 students between the ages of 15 to 17 to enhance their knowledge of Canada and, again, a greater awareness of our country by participating in one-week workshops.

One participant in the exchange organized by the YMCA, another organization funded under the OHC program, had this to say: "Many more of these programs are needed to help bring Canadians together. We have so much in common yet all we ever hear is what divides us. These exchanges are vital".

[*Translation*]

The hon. member for Haldimand—Norfolk moved a motion which says that this government has robbed a generation of young Canadians of their legitimate aspirations.

Perhaps he did not know the extent of this government's commitment to advancing our youth. Perhaps he did not know that we have invested $8 billion in post-secondary education. Perhaps he did not know that the government has forgone $3.6 billion in tax revenue from post-secondary institutions, thus helping these institutions make better use of their resources. Perhaps he did not know that a quarter of a million students in our colleges and universities are counting on help from the Canada Student Loans Program to obtain their certificate or diploma in order to build their career, to build our country.

Perhaps he did not know that 2.9 million young Canadians are gladly learning our two official languages. Our country will benefit from that long after my colleague has left his seat in this House.

Perhaps he did not know that 1,200 university students have part-time work as teachers' aides in first language French courses, not only in cities and towns but in rural communities and remote regions.

Perhaps he did not know how committed the Department of the Secretary of State is to helping official language minorities in colleges and universities, not only through financial assistance but by providing expertise in specific projects, together with the provinces and territories.

Perhaps he did not know that we participate in thousands of projects, large and small, with teachers, administrators, researchers and students to find solutions together, through dialogue and information sharing, to common problems in post-secondary education.

Perhaps he did not know that the Secretary of State has relations with very many organizations, volunteer groups, associations, government departments, companies and countries in order to provide the best possible quality of post-secondary education in Canada.

Perhaps he has even forgotten that about a hundred students from Dartmouth visited his riding to get a glimpse of another part of the country.

Hopefully, he now understands this government's deep commitment to education much better. It is not only a commitment to post-secondary institutions, primary schools, rural schools or schools for the French or English minority, but also a deep commitment to the whole process of acquiring skills to succeed in life.

Our Canadian youth have not been robbed of their legitimate aspirations.

[*English*]

We have provided as many tools as we can to train the scientists, teachers, technicians, politicians, lawyers and decision-makers of tomorrow.

We give the youth of Canada the encouragement, the head start and even our trust and silent hope for a better future. We have tried to describe for all who come later a path that will see our country grow and prosper. By investing in the individual, we ensure that every young Canadian has a fair chance of success along the path.

• (1230)

We are giving our young people the education, the courage, the skill and the common sense to make their own way along their own road to success, whatever that might be and in whatever direction that might be. That is the record of the Department of the Secretary of State.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I want to sincerely thank the hon. member for his speech. It was a non-partisan speech that outlined a number of the programs the government is bringing forward. Frankly, we do not have any problems with a number of those programs because they do address a number of needs out there now, not only in terms of education, but keeping young people in school.

What we question is the real commitment of this government to actually recognizing the problems with generation *x*. There is a whole generation out there that has no hope for a job. They have no hope for a proper education and they have no hope that this government even recognizes the seriousness of the problem.

Preventive medicine is always a good direction to go. I do congratulate the government for putting money into keeping kids in school. As we know, that is a very important area. I congratulate the government for the Voyageur program which the hon. member talked about.

All the people from Haldimand—Norfolk had a fabulous time in Nova Scotia. They got to learn some of the problems and the unique differences within this country by going on that program. I hope the hon. member by saying that is suggesting the program is going to come back for another year. I did not quite hear the hon. member say that but I would hope that maybe one of his colleagues could clear that up for us. I know there are people in our area who would be more than willing to again volunteer their time and services to make sure the program continues because it was very worth while.

My question to the hon. member is this. The hon. member knows that the federal government, having all the physical, fiscal and all the trade responsibilities, really has the responsibility to control the economic direction of this country. The federal government has the ability to set a labour force, to set the training, to set the education for a whole country and for a whole group of young people who just do not have that opportunity.

Does the hon. member agree that the whole problem with generation *x*, and I know the hon. member understands what I mean when I say that, is that whole lost group which is hundreds and hundreds of thousands of young people who are unemployed, many of whom have never had a first-time job, and if you look at the statistics many have never had a first-time job, has increased dramatically over the years?

Does the hon. member think the government could do more, that there are more programs the government should be bringing forward for these people? Does he not think that what the government has now brought forward is just a light brush over all these problems?

[*Translation*]

Mr. Tremblay (Québec-Est): Mr. Speaker, first of all, I wish to thank the hon. member for his introductory remarks. I must say I have a lot of empathy for our Canadian youth. I have three children myself, two of whom are teenagers, and I must say it is a full-time job to bring them up and ensure they can look forward to a promising future.

I also want to take this opportunity to mention my personal involvement in the Voyageurs Canada 92 Program. We were twinned with not one but two ridings: Nipissing in Ontario and Brandon—Souris in Manitoba. Every time, I personally picked up our visitors at the airport and went to say goodbye to the young people representing my own riding before their departure.

• (1235)

I also took part in many of the activities that were organized in my riding, together with the families that opened their homes to our visitors. We are now completing our review of this experiment and as far as I am concerned I have nothing but praise for this initiative, and I am sure there are people who will want to repeat the experience.

Regarding further programs or incentives to help tomorrow's youth, I reviewed the measures we introduced since 1984, including the Stay in School Program. I was involved in a number of seminars attended by teachers, parents, people from the various LCSCs and students themselves. These programs are constantly being adjusted to make them right for our young people. The department is also constantly seeking new initiatives to ensure that we have young people we can be proud of tomorrow. We must also bear in mind that we inherited a deficit that weighs heavily on this country and puts a number of restrictions on what we want to do. However, we intend to spend and do what we can to ensure that our youth can look forward to a promising future.

[*English*]

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I just want to comment on what I have been hearing this morning and put a question to the member for Québec-Est.

This morning I have heard a lot of doom and gloom from members of the opposition with regard to youth and their future. I think it is somewhat too negative, to be blunt about it. I say that in the context there are great opportunities out there for all Canadians and in particular young Canadians.

We all know that the western world is going through some difficult times but I want to remind the opposition and I want the member for Québec-Est to reflect on this. In terms of a global society, if you wish, Canada is doing pretty well. In fact this year our economy is expected to outgrow or outperform the economies of every country in the civilized world by something in the order of 3.5 per cent. That figure is very significant because jobs and opportunities for all Canadians, young and old alike, grow or are created from that. It is something I want the member to reflect on.

There is another point I want to make. I want to take the opposition to task on this in terms of our commitment to training and our commitment particularly to the university sector and post-secondary education. I want to pass this statistic along to the member for Québec-Est to comment on. Every year we transfer to the provinces $6 billion for post-secondary education. Even in times of restraint—we are going through times of restraint now—we have increased that funding and not diminished it. In fact we have increased funding to the post-secondary sector through the provinces by 43 per cent from 1984-85. We are also providing $1.9 billion in training and research to the provinces.

I want the member to reflect on that and comment on what we are doing as a government given our fiscal resources.

[*Translation*]

Mr. Tremblay (Québec-Est): Mr. Speaker, I am glad the hon. member mentioned that Canadian policies and programs are often quoted as an example in other countries, and that is quite true.

• (1240)

I purposely did not mention transfer payments to the provinces earlier on, and more specifically the amounts allocated for occupational training because my speaking time was limited, but I am glad the hon. member raised this very important point. With these payments, the provinces and the territories can spend the money directly on training for our young people.

Mr. Speaker, in recent years there was a trend toward one-shot programs for our young people, which were not that successful. During the 1984 election campaign, I often said that the only permanent thing about these programs was the signs. In fact, the signs stayed up well after the programs ceased to exist and all the money had been spent.

Subsequently we made a number of radical changes by redeploying this money in ongoing programs, where program development and investment impact can be evaluated.

[*English*]

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I am very proud that the Liberal Party has chosen to spend a full day in the House of Commons to acknowledge the plight of our youth. What better way to spend taxpayers' money than on our youth, their future and Canada's future.

[*Translation*]

I repeat, the best investment we have is our young people, who represent the future of this country. We must create programs aimed at reducing and eventually eliminating the dropout problem by providing these young people with the training they need to find permanent and satisfying employment.

[*English*]

Last week Statistics Canada reported that since the last election from 1989 to 1992 there were 409,000 fewer young people who had jobs. The UI rate for young men between 15 and 24 years of age is 19.6 per cent in Canada. The UI rate for young women between 15 and 24 is 14 per cent.

What does that mean for our society as we try to come out of this devastating recession? The very people who should be full of energy, full of hope and willing to take risks to reach the positive goals they have dreamed about—the young people of Canada—are disillusioned. They feel undervalued. They are a generation of lost hope.

That is why I am particularly pleased that the Liberal member for Haldimand—Norfolk has put forward the motion that this House condemn the government for policies—maybe he should have said lack of policies—regarding jobs, job creation, post-secondary education and job training and retraining that are having the effect of robbing a whole generation of young Canadians of their legitimate aspirations.

If this Conservative government had spent more time in the past eight years considering long-range goals for our country, our youth would not be in the terrible situation in which it finds itself today.

It is not just the young people. What about their parents who have sacrificed to allow their children to stay in school? These are parents who want the best for their children. These parents want to see some prospects of a healthy, profitable and productive future for their children.

When the UI rate for our youth is twice that of the rest of society, what does that say about this Conservative government? The Conservative ministers and members have jobs but they do not have vision. For eight years they have not had the vision to see that the youth are our future.

The Prime Minister and the finance minister keep saying that 9,000 new jobs were created last month in Canada but the truth is that we lost 5,000 full-time jobs. The figure 9,000 comes from the creation of 14,000 part-time jobs minus the 5,000 full-time jobs lost.

The government has let the youth of this country down. It is saying that it will give them part-time jobs flipping hamburgers but it is doing nothing to find them full-time jobs.

The hon. member for York North and the Liberal Senator Philippe Gigantès travelled across Canada and then prepared a comprehensive report *Agenda For Youth*. This task force has made many great suggestions. One of them is that the federal government in concert with provincial governments, the private sector and voluntary associations commit to eradicating illiteracy and innumeracy among Canadian youth. How can we expect our youth to attain the highly skilled jobs needed in the world today if they cannot read or write or if they lack the necessary mathematical skills?

• (1245)

Another suggestion is for the federal government to adopt a tax base system to encourage workplace training. Instead of always blocking the way with disincentives, the Liberals suggest using incentives to encourage private enterprise to participate in training our youth.

With the Liberal Party ideas do not stop with the report. The Liberal Party under our leader has already committed to some definite measures for the future of our youth to make these recommendations a reality. In his January 27 speech the Liberal leader stated in part that a Liberal government will work to create a national apprenticeship program to help keep young people in school and to help the transition to work. He also stated that a Liberal government will establish a Canadian youth service designed to allow young Canadians to gain skills and work habits.

[*Translation*]

Has the government thought of the future? Has it thought of our young people, who are about to begin their adult life without hope, without jobs, without adequate training and without interest? Why not set aside some money for youth development and training?

[*English*]

The youth of Canada know the devastating record of this government. We certainly heard from the Liberal youth task force travelling across Canada. In my riding of Hamilton Mountain students from Mohawk College and from McMaster University spoke of their lack of hope for the future. Students in the high schools in my riding—Barton Secondary, Caledon, Crestwood, Hillfield Strathallan College, Hillpark, Sir Allan MacNab, St. Jean de Brébeuf and St. Thomas More schools—all know the precarious future they face.

That is a good enough reason for young people of this country to defeat this government in the next election and to vote for the Liberals who have a vision for Canada and who want to participate with the youth of Canada in realizing the potential of our great country and every Canadian in it.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I listened with a great deal of interest—but concern—to some of what the member for Hamilton Mountain had to say about this government in particular.

She mentioned long-range planning in her speech. I tell her most sincerely that we have engaged in long-term planning for the youth of this country and for the economy. I take her to task on that. When I say that, I go back to the task force report that she obviously has with her this morning. It was set up by the Liberal Party regarding youth, the economy and employment opportunities, et cetera, to which she has alluded.

I am wondering if that document has been tabled in the House or made public. Perhaps it has and I hope that it has. I hope they do not use that internal Liberal Party document on tax reform which the Liberal Party refuses to make public because in that they talk about the business transfer tax and some of the other things that they will have to do—distasteful things—if they do form a government.

I suggest they probably will not form the government. The Canadian people will determine whether that happens or not.

In that tax reform package they really do discuss within that document what they are going to replace the GST with. Unfortunately, they will not make that document public. As I have mentioned, I hope this document is made public and I hope it is tabled here in the House so we can examine it.

I will caution the member that much of what the member had to say has been stolen from our pages and our government. There is no question about it, we do have a plan for the youth of this country and it is working very well. If given the time later on I will mention some of the statistics. However, we have a number of projects on the go and they are long range.

• (1250)

One we can talk about today is the Labour Force Development Strategy. The member has not mentioned that one. Another one is the moneys we commit through the UI funds to training and retraining. She has not mentioned that one which accounts for about $2.2 billion per year. She does not talk about the 530,000 UI claimants that will benefit from that package. She does not talk about the billions of dollars transferred to the—

The Acting Speaker (Mr. Paproski): The hon. member's time has expired and questions and comments has expired. If he could give the hon. member at least one minute for an answer, I would appreciate it.

Ms. Phinney: Mr. Speaker, it will not take me a minute to answer.

This has been tabled for several weeks. It is too bad the member does not have it. Tens of thousands of them have been mailed out across Canada.

The hon. member is right. The Canadian people will decide. It was the youth of Canada we listened to. The youth of Canada told us they are not satisfied with what the present government is doing.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I am delighted to have the opportunity to participate in this debate. The motion deals with education, job training and retraining.

Over the past four years there have been many discussions on all sides of the House on the whole question of education, training and retraining. Members of the House of Commons had and still have concerns about the state of the economy and about what is happening in the community in terms of the lack of opportunities and so on. I do not think anybody would disagree with that. However, I think where there is disagreement is that actions speak louder than words sometimes.

So far we have not seen any kind of tangible action taking place, whether we talk about the government in terms of dealing with the question of job creation for youth, training, or transfer payments when it comes to education.

In terms of the NDP, what we have seen day after day in the province of Ontario unfortunately is an attack on the youth of Ontario when it comes to post-secondary education when it comes to grants and when it comes to tuition fees.

Rather than spend my time talking about the lack of action from both the federal perspective as well as the provincial NDP perspective, I want to share with this House some of the things my colleagues and I have done in the past.

In terms of our caucus position on this whole question, a youth report was tabled a number of weeks ago. For those who would like to obtain a copy they can call any Liberal member of Parliament.

The report contains many interesting points. We call for the establishment of national apprenticeship programs. We call for the establishment of some sort of an organization that helps out youth in terms of those who want to participate in the work force. We have tax incentives being proposed in order to help business create jobs. Those are the kinds of things that are needed.

What we need more than anything is a cohesive and co-operative approach that would deal with the whole question of education. There is one segment of this whole debate I would like to focus on specifically. That is the question of literacy.

I know my colleagues have spoken very nicely on education and post-secondary education. I want to share with the government some of the proposals I am working on as someone involved in the area of literacy. I want to divide my proposal into four sections and specifically tell the federal government what its role should be in this whole area.

Over 38 per cent of Canadians are considered to be functionally illiterate. As a result of that these people have difficulty finding jobs and the jobs that are available may not be available to them. The cost of illiteracy is in excess of $10 billion, which is almost 25 per cent of the national deficit.

• (1255)

What is lacking now? We lack a national literacy strategy on the part of the federal government. We do have the National Literacy Secretariat. It was set up five years ago and is in its last year now. The minister made a statement sometime around December saying he wanted to continue with it. However, we have not seen one single penny being allocated in terms of funding. We have not seen any kind of additional commitment with respect to the secretariat for the next five years and beyond.

The government has to look at this whole area of literacy with a little more seriousness than it has done in

the past. We can no longer just give lip-service to the communities out there. We need to set out a strategy.

This is what the minister could do. He could establish a strategy at the national level. It would include the policy of national minimum standards on literacy and an awareness campaign. These standards on literacy should be set and met at all levels from elementary school and through to employment training. As well, it has to address the question of adult training programs. Only then can we ensure good quality literacy training across Canada.

We cannot just set up an agency and hope that everybody will run to the agency asking for help. We have to have a pro-active secretariat. We have to give the secretariat the needed funds. We have to give it the tools it needs in order to move out further.

We have to set up a strategy whereby we could bring the relevant groups together. We could bring in the provinces, the private sector, the school boards, the special interest groups, the families, the illiterates and organizations working on behalf of illiterates. We could get them together and move forward.

An *ad hoc* approach is not going to help us. It is not going to get us out of the ghetto we have found ourselves in for the past few years. We need to have action. That is something my colleague from Hamilton spoke about so eloquently. There is a definite lack of action.

We have a literacy secretariat that is in place for five years, but what about the next five years? Why do we not provide the secretariat with a long-term funding formula so it does not have to come begging to the minister every five years? Why do we not have an act of the House of Commons that will make the secretariat a permanent body of this government? Why do we not have an act? As it is now, there is only a government memorandum concerning the setting up of the secretariat. There is no action plan other than a statement in terms of what will be done in the next 10 years and what we are going to do beyond the next 10 years.

I know the government has stated that it wants to increase the level of literacy. It wants to increase the number of people who graduate from school. What are we doing to achieve that? What is the mechanism the government would set in place in order to do that? It spent over $20 million on consultation which is wonderful. I have to commend it on that because I think it is imperative to have the consultation. What is next? Where are we moving from here?

My colleagues and I are alarmed at the high unemployment rate our youth are faced with. An unemployment rate of 15 per cent to 25 per cent is incredible. It is a national crisis when our youth find themselves on the streets without jobs and without opportunities.

Those are the kinds of issues we are concerned with. Those are the kinds of issues we would like to see the government take action on.

We are also concerned that when the government is in the process of introducing any kind of act the people affected by that act are not asked for their views on it. I refer here to the loans act when it was introduced and put in place a few weeks ago. The student body was not allowed to appear before the committee to give its reaction to the proposals.

It will be recalled that the government made a commitment last year. The minister promised in this House on February 25, 1992 that the government would eliminate the 3 per cent tax on student fees. Have you heard anything on that? It has been one year and there has been no action on this issue.

I know my time is up and we are approaching one o'clock. All I wanted to say is for the country's sake let us sit down and come up with some sort of cohesive plan to deal with the question of unemployment, with the question of youth, with the question of education.

Let us stop this harassment we are embarking on when it comes to our student population. I believe that what we are doing is harassing our youth rather than approaching them with a proper plan.

The Acting Speaker (Mr. Paproski): It being one o'clock, I do now leave the chair until two o'clock this afternoon, pursuant to Standing Order 24(2). The hon. member will have five minutes questions and comments if he comes back at three o'clock.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

BILL S-8

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, this morning at the transport committee amendments were made to Bill S-8, relating to the Motor Vehicle Safety Act, which will provide Canadian consumers with a consistent Motor Vehicle Safety Act and related safety regulations while providing the Canadian automotive industry with a level playing field when competing with the U.S. industry.

I want to commend the three ministers of transport who addressed these concerns with me over the past three years, the officials from the department who have shown great patience, and the members of the committee from all parties who worked together to give Canadians a high standard of motor vehicle safety.

Under the amendment all vehicles whether imported or non-imported will be required to meet the same safety standard, thereby eliminating the double standard which has existed since the implementation of free trade.

If vehicles do not meet this standard at the time of importation they will be required to be upgraded prior to licensing. This will assure Canadians that they will continue to have the highest standards of safety in the world.

* * *

BOSNIA-HERCEGOVINA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the situation in Bosnia-Hercegovina continues to degenerate. The insidious practice of expulsion and the senseless and brutal genocide of people based on their race and religion must be stopped.

Last July the immigration minister promised relaxed criteria to allow 10,000 refugees in to Canada. Yet so far only slightly more than 1,000 have arrived. Improved terms and conditions are needed. As well, let us consider the example of Israel which is settling refugee families on an interim basis until peace is restored.

As international citizenry we should have learned from past massacres that it is our responsibility and our duty to avert this kind of devastation, but when it occurs we must act expeditiously and with human compassion.

Canada and the international community have been slow to move in the face of this genocide, this abominable, this deliberate ethnic cleansing.

In 1993 how can civilized nations afford to allow this practice to continue and not act? Remember, silence can be deafening and the women are being tortured.

* * *

MERFIN HYGIENIC PRODUCTS INC.

Mr. Stan Wilbee (Delta): Mr. Speaker, I would like to congratulate Merfin Hygienic Products Inc. of Delta for the astounding contribution this firm has made to B.C.'s exports.

This company's German parent established in B.C. in 1986 and now operates a 151,000 square foot plant employing some 65 people. The company introduced a unique European paper-making technology to North America and has plans to spend up to $18 million in the next two years on increasing plant capacity.

In 1992 company sales were up 60 per cent over 1991, and the company has established itself as a major exporter. Nearly 80 per cent of its 1992 revenues were generated by sales in the U.S., Europe and the Pacific Rim.

Congratulations to Merfin Hygienic Products Inc.

* * *

AIR CANADA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise to protest the loss of Air Canada jobs in Winnipeg.

Diners Club/enRoute, an operating division of Citibank Canada, thanks to the sale of enRoute last year, announced last week that it will be creating 100 new jobs in the Montreal area.

What it did not announce was that approximately 80 current enRoute jobs in Winnipeg will be lost as a result of this same decision. Winnipeg's history of losing out to Montreal continues unabated and no voice on the government's side is raised on its behalf.

I am told that another 48 Air Canada jobs in Winnipeg are at risk because of a scheme by Air Canada to farm out its revenue accounting systems program to an American company, using a system developed by Air Canada employees which they thought they were designing for their own use.

Remember when we used to have a publicly owned national airline? Contracting Winnipeg work out to a U.S. firm would have been unthinkable then. Now the whole city seems to be dispensable.

* * *

GOODS AND SERVICES TAX

Miss Deborah Grey (Beaver River): Mr. Speaker, it is with total disbelief that I read today in the *Montreal Gazette* that the Minister of National Revenue will not even attempt to collect over half a million dollars in GST payments that were supposedly mistakenly refunded to the yes committee in last October's referendum.

As an excuse he said that the yes committee is officially disbanded so the government simply cannot collect.

Now Canadians finally realize where the GST is going. It is going to line the pockets of the big three: the Conservatives, the Liberals and the New Democratic Party. It is absolutely unconscionable that the taxpayers of Canada, a majority of whom voted against these three parties in the referendum, are actually subsidizing these parties through the loss of this revenue.

• (1405)

The minister should resign for funnelling GST tax dollars to his friends involved in the yes committee's activities. At the very least, the Tories, the Grits and the socialists should pay back the money they owe to the Canadian taxpayers.

My constituents say no once again to the yes committee. They say: "No you may not get off GST-free. Pay your debts".

QUEBEC

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, earlier this week I gave Parliament evidence that Jacques Parizeau expects that a sovereign Quebec will be reliant upon France.

As well, in an article in the June 1992 issue of *The Financial Post* the member for Lac-Saint-Jean said that as a sovereignist he, and I quote: "expects a lot from France". Perhaps Quebecers should be asking the member for Lac-Saint-Jean what the sovereignists expect from France and what Quebecers will have to give up for this.

The Parti Quebecois and the Bloc Quebecois are insisting that Quebec can make it on its own, yet the evidence suggests otherwise.

* * *

CRIME PREVENTION

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, yesterday I questioned the Minister of Justice on what preventive measures were being undertaken by his government to address the root causes behind criminal behaviour.

I also drew the minister's attention to a letter sent over four months ago that was signed by myself, MPP Tony Ruprecht, metro Toronto councillor Derwyn Shea and city councillor Chris Korwin-Kuczynski. It pleaded with the minister to apply federal resources to fight the rampant drug and sex trade in Parkdale—High Park. To date we have not received a response to our request.

For the minister's benefit, I invite him to attend a public forum that I am co-hosting along with the hon. member for Scarborough West next April 3 at Metro Hall in Toronto.

In the meantime, I will leave the minister with the comments I received from one of the senior citizens in my riding. I quote: "Seniors cannot go out at night. We deserve to go out and enjoy music and the arts but we are victims in our own homes and feel that we are in jail permanently".

S. O. 31

CANADA–UNITED STATES FREE TRADE AGREEMENT

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, the Canada–U.S. free trade agreement has thrown open the doors to opportunity for industry and workers in my riding of London—Middlesex.

I point to the Kaiser aluminum extrusion plant recently built in London, Ontario. Kaiser's Canadian sales manager says the Canada–U.S. free trade agreement made it all possible. The elimination of a duty on aluminum products crossing the border has eliminated a major obstacle.

Sixty per cent to seventy per cent of this plant's production will be sold in the U.S. A further example of the free trade agreement's benefits is the $675 million U.S. deal between General Motors' diesel division in London, Ontario and the leading U.S. railroad company, Burlington Northern. General Motors will build 350 locomotives by 1997.

Free trade is paying off. Just ask my constituents. Mexico can also be good for Canada. Let us get on with the deal.

* * *

HEALTH CARE

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the *New England Journal of Medicine* has pointed out that it costs 40 per cent more per patient hospitalized in American hospitals than it does in Canada. It also points out that not only are our costs lower but that we have lower costs in administration, that we use high technology much better, and that we target children much better than the Americans do.

I am delighted with my leader's comments about his commitment to the Canada Health Act and its five principles, as well as his unfailing commitment to medicare in Canada and its universality.

I am really quite disturbed, as are many other Canadians, by the comments of two leadership candidates of the Conservative Party suggesting that perhaps user fees or universality of medicare would be compromised. As well, there was another leadership candidate who agrees. This is very disturbing to Canadians.

I might also add that the Filmon government in Manitoba has decided to cut and slash hospital programs. I think it has not seen this particular study.

[*Translation*]

Let us leave the scalpel in the hands of those who know how to use it and not in the hands of those who do not know what to do with it.

[*English*]

* * *

CANADA POST

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, we have some good news for small, weekly community newspapers and paid circulation magazines. These businesses would have faced a drastic increase in postal rates on March 1, 1993. Rate increases will be limited to 10 per cent a year for the next three years as opposed to a 50 per cent increase.

This agreement between Canada Post and Communications Canada also guarantees that Canadian paid circulation magazines will benefit from a gradual transition to full commercial rates. Additional rate increases will be limited to 3 per cent, 5 per cent and 5 per cent over the next three years.

• (1410)

Also, the replacement program for paid circulation magazines which was to be implemented in 1994 has been postponed until 1996. This government recognizes the important role small weekly newspapers play in advancing community participation, and this is just one more positive program we have put in place to continue to foster pride in small communities.

* * *

MEMBER FOR HALTON—PEEL

Mr. Joe McGuire (Egmont): Mr. Speaker, it has now been established that there is really no difference between provincial Tories and federal Tories.

Shortly after the current election campaign in P.E.I. began the provincial Tories ran ads that were so revolting and insulting to the people of P.E.I. that the Tories had to withdraw the ads.

Now the member for Halton—Peel, who could be the next Conservative Prime Minister of Canada, wants as part of his economic policy to eliminate the province of Prince Edward Island from Confederation.

This is the same MP who with two of his pals slithered into Summerside in July 1989 when the Tories closed CFB Summerside. Now he wants to close the province.

Does this potential Tory prime minister reflect current Conservative economic thinking? What province will follow? Newfoundland? Saskatchewan? Manitoba?

Barbara Yaffe, *Vancouver Sun* suburban editor, quotes future Prime Minister Garth as saying:

> One of the ways he would lead us out of the shadows of debt would be to cut government bureaucracy in ways that would curl hair from St. John's to Victoria. Does a tiny province like P.E.I. really need its own government?

I call upon the Prime Minister to apologize to the people of Prince Edward Island on behalf of this government and to repudiate the remarks of the member for Halton—Peel.

* * *

THE PARLIAMENT, BUSINESS, AND LABOUR TRUST

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I rise today to commend the efforts of the Parliament, business and labour trust. The efforts of this group to educate parliamentarians in labour and business management have no doubt been a success.

Its plans to reverse the process and enable labour and business management to become versed in the workings of Parliament and government will no doubt also be a success.

I would like to thank my hosts while participating in the exchange, Dr. Mike Sopko and Dr. Tom Barnett of Inco. My study of their company was a valuable experience.

In closing, I would like to thank the various companies involved in the trust and I would also like to thank parliamentarians past and present for their efforts.

To you, Mr. Speaker, I say a special thank you for your hospitality on Monday past.

* * *

CANADIAN AUTO WORKERS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it has been remarkable to read and hear from all those people who hate trade unions, like *The Financial Post*, how wonderful it has been to see CAW members getting a chance to exercise democracy.

It has been even more amusing to see Liberals hailing this exercise in democracy and never asking themselves if shareholders have a vote on the millions their party receives from the corporate world.

For all these new-found friends of the labour movement I have some important news: Last night the largest CAW local in Windsor representing Chrysler workers held a membership meeting to reconsider its ties to our party. Its members voted 300 to 4 in favour of keeping its affiliation with the New Democrats.

I just hope that the media which made so much of the Oshawa membership meeting vote will give as much attention to this overwhelming support for New Democrats from this Windsor CAW membership meeting.

* * *

CONSERVATIVE LEADERSHIP

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, let us examine another exciting day in the life of the PM,—that stands for puppet master of course.

First the PM, the puppet master, from his throne in the mansion, not the one in Westmount but the one on Sussex Drive, pulled the strings to orchestrate his own dynasty.

He appointed the Avril Arrow as minister of defence. Then he asked the bagmen in the other place to bring bags full of loonies for the Avril's campaign. So hard did the PM—did I say that this stands for puppet master—? Pull on the strings that the other puppets were knocked off the stage completely.

No matter. From the mansion, the one on Sussex Drive not the one in Westmount, the PM finally convinced Fuzzy to enter the race to give the performance some legitimacy.

Now the Garth decided to run to prove the theory that anybody, and I mean anybody, can be Tory leader.

But all Canadians are really wondering and sitting on the edge of their chairs waiting to see if Otto the Hun will enter the race. Will he take the skate guards off? No one knows except perhaps the PM. By the way, did I say that stands for puppet master?

• (1415)

[*Translation*]

THE GAZETTE

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, on behalf of all Canadians, especially those whom I have the honour to represent in this House, I want to express how indignant and angry we feel about the cartoon published this morning in the *Montreal Gazette*.

This drawing incites violence.

It is a disgrace to Canadian journalism. Its author, Terry Mosher, is trampling underfoot what we Canadians hold sacred: respect for the individual, the family, democracy and plain common sense. Nothing can excuse this cruel and disgusting attack on the Prime Minister and his family.

I call on all my colleagues to protest energetically to the man responsible for this indignity and those who allowed it to be published. Freedom of the press exists here as elsewhere to defend values, to express what is noble and beautiful in the human being.

Those who use it to foster hate, to encourage violence, must be denounced; such people are a poison that threatens democracy. The real butt of the cartoon we saw this morning in the *Gazette* is the mean, small-minded, sick man who drew it, Terry Mosher. The *Gazette* and its editors have made a mockery of what a newspaper is supposed to be.

Mr. Speaker, sometimes we get our hands dirty reading a newspaper, but those who read the *Gazette* this morning felt that their very dignity as human beings was sullied.

* * *

[*English*]

TRADE

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, free trade was responsible for Bill C-91, one of the worst pieces of legislation to ever pass through this House.

Extending drug patent protection to the fabulously wealthy pharmaceutical companies at the expense of all Canadians, present and future, is a typical Tory fiddle. But is this government content? No. Now it has proposed a ban on 64 herbs and plants because of an obligation in the free trade agreement with the U.S.

Canadians have been using these healing medicinal alternatives for decades. Aboriginal peoples have been using them for centuries. Yet when the multinational pharmaceutical companies are involved Tories know what is best for us all: Level the playing field by clearing any competition even if it is a backyard botanist.

It is time for a change. Let us abrogate the disastrous U.S. trade deal, squash the proposed Mexican deal and chuck this money-grabbing Tory government out on its ear.

* * *

MONTREAL *GAZETTE*

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, I refer today to the scandalous and odious incitement to violence and assassination being proudly printed in this morning's *Montreal Gazette*.

This is a disgrace. It is a black eye for Canadian journalism and a crime against the fundamental Canadian values of decency and mutual respect.

Given Mr. Mosher's well-known proclivities, I would have thought he would have been the last person in Canada to deal with the question of violence so lightly.

I call on the owners, the publisher and the editorial staff of the *Montreal Gazette* to apologize to all Montrealers and to all Canadians for this vile and hostile message carried in today's caricature by Terry Mosher.

Given the enormous tragedies that have befallen Montreal at l'École Polytechnique and Concordia University, only a truly sick mind could find anything humorous in a suggestion that such insane violence be repeated against the Prime Minister of Canada.

ORAL QUESTION PERIOD

[*English*]

HEALTH CARE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to tell the Prime Minister that I share the views expressed by his colleague concerning this morning's cartoon. It was not called for. But we have to ask a question of the Prime Minister anyway.

Yesterday a report published in the *New England Journal of Medicine* said that Canadian medicare is 40 per cent less costly than the American system. Whereas in Canada everyone is covered freely, in the United States 30 million people are not covered. It is reported that the Canadian system is as good and even more effective than the American system.

• (1420)

I ask the Prime Minister was the Minister of National Revenue expressing a government policy when he said yesterday that the medicare system of Canada, which is free for everybody, should be abolished?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not read the statement to which my hon. friend refers. I will be happy to take a look at it.

The general sentiment my hon. friend has expressed in regard to the Canadian health system, with its imperfections, is that it remains one of the finest in the world. I have had the occasion recently to indicate that to President Clinton and to others. I think that is a view that would be widely held by Canadians.

I suppose if anyone wanted to campaign for any job if there were a vacancy, this might not be the best platform one might want to adopt. However, I am not aware that anybody has considered adopting that.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a supplementary for the Prime Minister. I am sure the leadership race will provide some insights into the Conservative soul and that there will be similar suggestions.

Now that we know the Prime Minister is not inclined to share the opinion of the Minister of National Revenue that free health services for Canadians should be abolished, I would like to know what he thinks of statements made by two candidates who said that the government would be well advised to cancel the helicopter program which his favourite candidate, the Minister of National Defence, is proposing to Canadians and which will cost $5.8 billion, money that could be used to maintain free and universal health services and thus preserve the individual dignity of all Canadians.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I read the comments made by two members of my caucus and I found their opinions interesting as I do similar opinions put forward by the opposition.

The government's position is well known and ably defended, not only by the Minister of National Defence but by other members of the government as well. There is no reason to get upset when a member who is seeking the leadership of his party wonders about certain items of government policy. I can assure the hon. member that it is not the kind of thing that keeps me awake nights. And it shouldn't bother him either. It is entirely legitimate for a member to have questions about the policies of the government or of the opposition. My point is that this is all very interesting, but I don't think the hon. member should make too much of it.

* * *

[*English*]

PRINCE EDWARD ISLAND

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I think there have been two members so far who have suggested that the helicopter program be abolished. On this side we consider it is one idea we can share with the member for Etobicoke—Lakeshore, not every one of his policies but this one is kind of acceptable.

I would like the Prime Minister to comment on this: It is one week before the election in P.E.I. One of the leadership candidates has suggested that we should abolish the province of Prince Edward Island. Is that a new idea that will become part of the Tory program very soon?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought the last thing I heard my hon. friend say was that he was going to eliminate the GST. That would close down the GST centre in Summerside, Prince Edward Island, thereby throwing 1,000 Islanders out of work.

I can assure my hon. friend that no one would even seriously consider abolishing such a magnificent and supportive province like Prince Edward Island. The question is: Would my hon. friend give us the same assurance that he will keep the GST in place so as to preserve those 1,000 jobs in Prince Edward Island?

• (1425)

TRANSFER PAYMENTS

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister who may have forgotten that the present Leader of the Opposition was responsible for putting the Department of Veterans Affairs in Prince Edward Island.

Provincial governments are saying that they have to impose very tough budgets on their populations because of this government's policy of off-loading its own debt and deficit problems onto the provinces.

Will the Prime Minister start a new approach based on working with the provinces to deal with these kinds of concerns? This would be instead of simply dumping or off-loading the government's own problems on the shoulders of the provinces through capping and cutting vital transfer payments for key programs like post-secondary education and health care.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the problem of course is not one of off-loading. The problem is that certain provinces waited too long to cut back on their own rate of increase in expenditures.

When we came to office program expenditures in Ottawa had been increasing at a rate of 15 per cent a year for 14 years. We cut that down to below the rate of inflation to 4.1 per cent over nine years.

Provinces—for example, when the new NDP government came in in Ontario—increased expenditures in the neighbourhood of 13 per cent a year. They finally realized that you cannot spend your way out of this kind of problem so they are now beginning to do what they should have been doing some years ago. I congratulate them for that.

I want to point out to my hon. friend that the suggestion that there has been off-loading is misleading. Major transfers to Ontario will grow at an average annual rate of 6 per cent.

The major transfers to Newfoundland exceed $1.4 billion and have been growing at a rate above the rate of inflation, namely 5.1 per cent for nine years.

Transfers to Saskatchewan have been growing at an average annual rate of 7.4 per cent when the Government of Canada has kept its own expenditures down below 4 per cent. We are transferring to Saskatchewan infinitely more on a percentage basis than we are expending here in Ottawa. I congratulate the premier of Saskatchewan. He has finally come to the view that the policies we have been seeking to implement here are the right ones both for Canada and Saskatchewan.

Hon. Herb Gray (Windsor West): Mr. Speaker, what the Prime Minister is talking about is really an *ad hoc* approach to crises created by previous budgets of his government.

Will the Prime Minister convene a high level federal-provincial conference to develop a new approach to federal-provincial fiscal and financial relations? This approach would be one that gets away from making the provincial taxpayer bear the burden of what in fact amounts to mismanagement and resulting off-loading, no matter how the Prime Minister describes the situation.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not going to get into an argument with my hon. friend. The figures are there and they are either right or wrong. He can examine them and stand up in the House and say that the information I have just given to the House is wrong.

The fact of the matter is that our present difficulties were generated by program expenditures at the federal government level which increased at this—

Mr. Peterson: It is our fault.

Mr. Mulroney: My hon. friend says: "It is our fault". For once he is right. It was abusive spending which now has to be brought under control at all levels, the federal level, the provincial level and the municipal level. That is all we are saying.

There is enough blame to go around for everybody. I do not think anybody gets any advantage in saying: "It is not my fault, it is yours", or vice versa.

Clearly, the country has to come to the view that we have been living beyond our means for too long and it must stop. I commend those provinces and those premiers who have come to the realization that program expenditures cannot increase at a rate of 14 per cent a year when productivity is increasing at 1.8 per cent and revenues are increasing at 4 per cent. It does not work. It leads to the kind of deficit and crippling of our growth that we have seen. Only these kinds of economic and fiscal policies can ensure we get out of that on behalf of our children.

TRADE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, when we were in Washington, D.C., we learned that the proposed labour side deal has three options. The first option protects no one. The second option calls for basic labour standards and a toothless commission to monitor it. The third option incorporates all labour standards, the commission and the possibility of trade sanctions and border measures.

• (1430)

My question is for the Prime Minister. Will the government tell the Canadian people that it will support strong labour standards and a real enforcement mechanism to protect Canadian workers and, if not, why not?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is nothing more dangerous than a socialist who is taking a trip.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Mulroney: *Heureux qui comme Ulysse a fait un beau voyage!*

[*English*]

My hon. friend knows full well that Canada's labour standards are among the highest in the world. These have always been enforced and will continue to be enforced by the Government of Canada and have continued to be through the free trade agreement and will be through NAFTA. My hon. friend should not worry about matters that have been resolved and will continue to be defended very vigorously and I think well.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, possibly the only thing more dangerous is a Prime Minister who has taken a trip to the United States and is telling us that these side deals have very little, if anything, to do with Canada.

We know there is no enforcement of labour standards in Mexico. We also know the track record of the government when it comes to protecting Canadian workers. It is bad, bad, bad. I would ask the Prime Minister again to protect Canadian workers. Is he going to do that or is he going to abandon them in his rush to sign and ratify the NAFTA agreement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what we are submitting to the House for consideration is a treaty among Canada, Mexico and the United States. It is a trade treaty designed to increase commerce between the three countries. The entire international experience being that as you lower barriers and tariffs you tend to create more wealth.

I truly do not understand the preoccupation of the socialists with Mexico in the following sense. Socialists demand that we give more and more foreign aid to developing countries. Mexico is saying that they are a developing country but they would rather not have handouts. What they would like is an occasion to trade into a developed market. NAFTA gives us that opportunity to trade, thereby raising the collective wealth and living standards of Mexicans so that they can better fulfil their responsibilities toward their own citizens.

What we are trying to do is allow Mexicans to share in the wealth of our continent as we create new jobs for Canadian citizens.

I would have thought that the socialists would get behind the idea that we can become more prosperous in Canada while helping our neighbours share in that prosperity.

Ms. Lynn Hunter (Saanich—Gulf Islands): What is scary is a Conservative demonstrating altruism. What did the Mexican bishop say about the North American free trade agreement? I think what we have seen here is a demonstration of paternalism.

The Prime Minister says he has some doubts about the wisdom of the side deals. The Minister for International Trade says we are willing to consult. The Minister of the Environment says that yes, of course, it is incorporated in the deal.

We want to know who is speaking for Canada and why Canadians should have any confidence in the negotiating stance of the government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not want to offend ecclesiastically anyone but my hon. friend can assume that Mexican bishops are not speaking for Canada. The people speaking for Canada are the authorized ambassadors who are there negotiating skilfully on behalf of the people and the Parliament of Canada.

We have some remarkable public servants, very talented and able, who are there today representing the interests of the government and the Parliament of Canada. When they have concluded their work they will report back to the government and the government will report to the House of Commons. At this point my hon. friend can raise whatever fears she may or may not have. It may be that she will be satisfied with the work of these public servants on behalf of Canada and will rise in her place to thank me and others for NAFTA.

* * *

• (1435)

TRADE

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the government must know that the removal of interprovincial trade barriers is a major requirement if Canada is going to benefit from freer trade whether hemispherically or globally.

It must know that the Macdonald royal commission, the Grandpré commission and the government's own prosperity initiative have all urged that an essential domestic measure if free trade is going to be effective necessitates the removal of the barriers to the free movement of people, goods and services in our country.

Today in Montreal there is a meeting on this subject. Can the Prime Minister or the minister speaking for the minister of trade tell us and the Canadian people what new approaches this government is taking to promote the removal of interprovincial trade barriers? Most important, what timetable has it in mind for the removal of such barriers?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I want to congratulate the hon. member for an important question. It is true that the removal of trade barriers leads to jobs and to new wealth. I am very pleased to announce today that we have record exports world-wide. We now have a $9.5 billion export surplus with the rest of the world in trade.

Some hon. members: Hear, hear.

Mr. Hockin: We have also heard today that the surplus with the United States is $17.7 billion, all of this because trade barriers have been reduced world-wide. The hon. member is quite right to ask about removal of trade barriers.

In the meeting today in Montreal two very specific things are going to be accomplished. They are going to put in place a very tight timeline in deadlines. July 1995 will be the deadline for a progressive removal of barriers to trade within Canada. It is in the hundreds. Hundreds of different trade barriers will be dealt with with the timeline expiring in July 1995.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, I welcome, as I am sure all of us in the House do, a timetable being put in place for the removal of interprovincial trade barriers.

As an assurance that such a timetable is going to be met, the need for an interprovincial and federal commission to monitor the effectiveness of the measures must be obvious. It was in the minds of the governments at the time of the Charlottetown accord and we would now look to this government to implement it.

Will that proposal be on the table in Montreal? Will it be a federal government position? If not, will the government move to test its commerce powers in the courts if there is any doubt about the federal government's commerce powers?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I do not think proliferating commissions necessarily brings progress.

What we want to do, and in fact a commission may be set up, but proliferating commissions is not really what the country wants. What it wants is action and it wants action through ministers. That is what is going on today.

* * *

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister for International Trade.

In light of the response yesterday of the Minister for International Trade, will the government assure the House and Canadians that the proposed North American commission on the environment will have powers to enforce environmental laws and standards? In other words, can the government give an unqualified commitment that Canada will not accept anything less than that?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, we must be clear what the hon. member is asking for. He is asking for complete, 100 per cent violation of our sovereignty. If we set up a commission where other countries unilaterally can decide what we do, then it is a violation of our sovereignty.

A commission can be set up that respects sovereignty. That seems to be the view of most of the parties to the NAFTA negotiations. Of course, this whole commission idea is kind of a sidecar to the main architecture which is the NAFTA agreement itself which is in place. We are just discussing a small side issue. For us to violate sovereignty for a commission is a question I think the hon. member would like to look at again.

• (1440)

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, unfortunately for the minister air pollution does not respect sovereignty. Water pollution does not respect sovereignty. The environment does not respect political boundaries. That is what the minister has to understand first.

My supplementary question therefore is this: In the NAFTA agreement, there is a need for standards on production and processes. Will the government include the use of trade measures in order to make industrial activities and production methods environmentally sound regardless of sovereignty?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am glad my hon. friend has shifted his ground. He has moved off this violation of sovereignty to a much more sensible set of arguments. We would be delighted to take a look at those.

* * *

THE ECONOMY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Prime Minister. He will know that the Saskatchewan debt, the largest per capita debt in Canada, was created by the financial mismanagement of his Tory friends in the Devine government and by unilateral federal changes to transfer payments which cost the province last year alone $538.1 million.

Yesterday the Minister of Finance admitted the serious mistakes in his government's economic policies by making an emergency payment of $30 million to Saskatchewan as well as $300 million to Ontario and $4 million to Prince Edward Island.

When will the Prime Minister admit that forcing the provinces toward bankruptcy is no solution to Canada's economic problems?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we of course regret the difficulties that the province of Saskatchewan finds itself in. We commend the Premier of Saskatchewan for some of the initiatives he appears to be prepared to take. There are others.

As he knows, the federal government has increased payments to grain and oilseeds producers in Saskatchewan by 655 per cent since the time that we entered government in 1984. We have increased transfers to the province of Saskatchewan substantially above the rate of inflation each year for almost nine years.

The Government of Canada pays some 83 per cent of all agricultural payments that go into the province of Saskatchewan in rough terms. The contribution from the Government of Canada to Saskatchewan is enormous financially on a per capita basis. There has been overspending in the province and the premier is beginning to deal with it.

One way where he could save a lot of money and in fact make money, some hundreds of millions of dollars, and help Saskatchewan modernize its economy, would be to integrate the Saskatchewan sales tax with the GST. He would receive some hundreds of millions of dollars and he would help Saskatchewan producers immediately create jobs in Saskatchewan.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, there are many things that the premier of Saskatchewan can do to assist the economy of Saskatchewan. The one thing he will not do is harmonize the GST with the provincial sales tax.

The Prime Minister talks about agriculture. He should know that 85 per cent is indeed a very rough figure because the federal government's support to agriculture in Saskatchewan used to be 100 per cent. Now it is only

59 per cent, a cost of $250 million over-all to Saskatchewan.

I suggest to the Prime Minister what this country needs is a federal government that will work with the provinces. I ask him why will he not call a first ministers conference to chart an economic course for Canada which works with the provinces instead of fighting against them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is not a bad idea. What about a Canada where the provinces would work with the federal government?

We transfer taxpayers' money to them at a rate higher than we spend and that Parliament authorizes for federal programs. Every single transfer to people and provinces from CAP to tax transfers has increased at a rate significantly over and above the rate of inflation, while expenditures in Ottawa have been kept to 4.1 per cent over a period of nine years, having brought it down from 14 per cent on an average basis for 15 years.

Yet we still wrestle with the deficit. We have to bring it down to decrease interest rates even further and to keep inflation down. Because all of these help attract jobs to the province of Saskatchewan. Saskatchewan would not be helped today at all if for example we had, as we did coming out of the earlier recession, interest rates at 22.75 per cent and inflation running at 12.9 per cent that would be an absolute catastrophe. We have a lot of fundamentals in place that will benefit Saskatchewan.

• (1445)

One way where Saskatchewan could help itself and help Canada would be harmonizing its tax policies with the GST, thereby creating new wealth and new jobs in Saskatchewan.

* * *

NATIONAL DEFENCE

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is also for the Prime Minister.

In the past few days both the Prime Minister and the Minister of National Defence have responded to questions in this House on sexual harassment within the military.

This morning the commissioner of human rights released his annual report. I would like to quote from a statement he made at the press conference: "The defence department policies on sexual harassment are too general and there are clear signs no one in the department takes them seriously".

Would the Prime Minister please respond.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not accept the verdict by the commissioner that there are clear signs in the department that no one takes them seriously. That is an unacceptable statement because it is not consistent with the tremendous efforts of the minister, the CDS and all of the leaders in the department to make sure that there is a policy of zero tolerance for sexual harassment.

The Liberal member for Halifax is laughing.

Ms. Clancy: I'm laughing at you.

Mr. Mulroney: This is not a laughing matter. It deals with sexual harassment and the policy of every government, including this one, and all of its public servants has to be one of zero tolerance for sexual harassment at any time under any circumstances.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, the board of the defence department had recommended that a contact outside the chain of command would make it easier for women to report on sexual harassment.

The harasser has the protection of working in a system where resistance to accepting women is commonplace. The harasser has the protection of hiding behind the Privacy Act. Yet a victim can lose her job, she suffers physical and mental stress and is unable to find out what punishment if any has been given to the harasser.

I ask again: Will the government take immediate steps to protect the victim instead of the harasser?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought that I had indicated very clearly to my hon. friend a few days ago the response and the policy of the government in regard to this very legitimate question that she raises.

The Minister of National Defence and the CDS have indicated very clearly that there are two important elements. There is a policy of zero tolerance for sexual harassment within the department and, second, the Minister of National Defence and Admiral Anderson are working very actively to create a climate wherein the victim is given the benefit of the presumption of innocence and where this matter can be resolved with all of the possible precautions being provided to the person who allegedly has been offended, both by the incident and/or by the process.

It is not perfect. We are not there yet, but every effort of the Minister of National Defence and every effort of the CDS and his colleagues is designed to achieve that objective. I hope my hon. friend will agree with me that it is a laudable objective that we are now pursuing.

* * *

LUBICON CREE

Ms. Ethel Blondin-Andrew (Western Arctic): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

The Lubicon Cree of northern Alberta have struggled for more than 40 years to secure a permanent land base. Their outstanding land claims have become an international human rights issue and no negotiations have been held in the last four years.

When will this government find the political will to return to the negotiating table?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I think we should put this into context. So far, the Minister of Indian Affairs has had five meetings with the chief. Proposals were put on the table, and the minister has always said he was prepared to continue negotiations.

• (1450)

[*English*]

Ms. Ethel Blondin-Andrew (Western Arctic): Mr. Speaker, my supplementary question is for the same minister.

The Lubicon Settlement Commission of Review has recommended that beginning immediately all royalties be held in trust and that no additional permits or leases be granted on traditional Lubicon lands without Lubicon approval. Multinational corporations are extracting over $1 million each day from Lubicon land.

Will the minister make a commitment today to end third-party pillaging of Lubicon resources, which has gone on for 40 years without their consent?

[*Translation*]

Hon. Pierre H. Vincent (Minister of Consumer and Corporate Affairs and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, Canada and the Province of Alberta have offered the Lubicon Lake Band $73 million. I think that is a valid and generous offer and to my knowledge both governments are still prepared to review the case.

* * *

CANADIAN BROADCASTING CORPORATION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, my question is directed to the Minister of Communications.

Last week, the president of the CBC announced that one of his first priorities was plans for an all-news service in French, like *Newsworld*. Although anglophones have had their service for four years all we got was some proposals that were either rejected by the CRTC or dropped by the CBC.

I want to ask the minister whether he intends to intervene and ensure that this time the CBC's proposal is maintained so that francophones in this country will finally have an all-news service in French.

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, generally speaking I agree with the sentiments expressed by the hon. member. However, the decision is up to the CBC and is subject to the granting of a broadcasting license under the Broadcasting Act.

It is up to the CRTC to decide whether this kind of service for Canada's francophone population can be viable. I understand that details of the plan will be announced in a matter of weeks.

* * *

[*English*]

HUMAN RIGHTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is to the Prime Minister.

Today Human Rights Commissioner Yalden in his annual report said that ethnic purism and racial superiority are spreading and complacency is a grave danger in Canada. Unfortunately the Prime Minister's reluctance to fulfil his past promises regarding racism is feeding this kind of complacency.

I ask the Prime Minister if he will denounce racism by fulfilling the commitment he made back in 1988 to establish a Canadian race relations foundation and will he proclaim Bill C-63 which we passed in this House in 1991 before he leaves? Will he at least establish start-up funds? I know it is difficult to get the full capital commitment, but why not establish a small amount of start-up funds for the foundation to get going, as requested by the Japanese Canadian Association?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friend astonishes me with the preface to her question about the fact that we have somehow been delinquent in regard to racism.

We have fought against racism as a profound evil. All of our actions and all of our statements have been devoted to ridding this country of racism both here and in our foreign policy; for example, in South Africa by tying foreign aid more and more to human rights.

In Canada how can my hon. friend say this when after 25 years of refusing to do it this government finally appointed a royal commission to ferret out those guilty of Nazi war crimes in Canada and begin the prosecutions for the evils of Naziism which was alive here in Canada. How can the member say that when after 40 years of refusal this government brought forward a policy to provide legitimate redress to Japanese Canadians? How can my hon. friend suggest that when we created the first Ministry of Multiculturalism and Citizenship?

There are legitimate reasons to criticize anything I suppose, but that is certainly one that is unworthy of my hon. friend.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I ask the Prime Minister why he has not fulfilled his commitment to Japanese Canadians and to others across this country to establish the race relations foundation. That was part of his agreement and it is still not established. The legislation is not even proclaimed.

• (1455)

My supplementary question is to the Prime Minister. Our country's history as he knows is tainted by legislative racism that was involved in the Chinese head tax and the Exclusion Act which affects Chinese families to this day, and also the unjust internment of Ukrainian, German and Italian Canadians during wartime.

In view of the Prime Minister's earlier statements, I would ask if before leaving office he would act to remove the hurt and the shame on all of us as Canadians of these historic injustices with an official apology and appropriate address. Will he do that for Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have indicated half a dozen major instances where we have already acted. These are situations where previous governments refused for decades to act. I refer to the Japanese Canadians by way of illustration.

Ms. Mitchell: You have not finished it.

Mr. Mulroney: Mr. Speaker, my hon. friend says we have not finished it.

Ms. Mitchell: Where is the foundation?

Mr. Mulroney: Perhaps it was not perfectly done. We have provided an apology in this House. We provided $350 million to Japanese Canadians and we provided this to the satisfaction of all of the Japanese Canadian communities.

Mr. Speaker: I might point out the right hon. Prime Minister has been asked a question and the right hon. Prime Minister is answering the question. The right hon. Prime Minister has the floor.

Mr. Mulroney: Mr. Speaker, my hon. friend refers to the Italian community. She did so *en passant*.

I was the first Prime Minister to act for the national leadership of the Italian community which had sought for four decades an apology for the abuses by the Government of Canada in the early 1940s where Italian Canadians were stripped of their citizenship and illegally imprisoned by the Government of Canada. Governments for 45 years refused to acknowledge this and apologize to the Italian community in Canada.

On behalf of all parliamentarians, on behalf of this government, I went to Toronto, met with the leadership of the Italian community and did precisely that. So, systematically, from the enormous damage inflicted on the Jewish community to the pain inflicted on Japanese Canadians, to the problems encountered by the Ukrainians to the travesties inflicted on the Italian Canadian community, item by item, community by community, to the Chinese Canadians, we have been trying to redress some of the extraordinary pain and mistakes of the past.

My hon. friend is right, we cannot do it perfectly, but by God we have tried.

* * *

LIVESTOCK FEED FREIGHT ASSISTANCE PROGRAM

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Agriculture.

Recent announced reductions to the Livestock Feed Freight Assistance Program seemed to be in contradiction to the act which says: "The object of the act is to ensure fair equalization feed grain prices in eastern Canada, British Columbia, Yukon Territory and the Northwest Territories".

The present proposal does not maintain that principle. I wonder if the department will bring in a new proposal that does comply with the act and is fairer to Atlantic Canadian farmers.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, Agriculture Canada as the member knows met with officials and their provincial counterparts about February 25 in Moncton to discuss this feed freight assistance issue. The main agenda, of course, was the 10 per cent reduction.

As a follow-up to this meeting a proposed compromise solution was developed by the Livestock Feed Bureau and sent to their provincial counterparts on March 12 for their perusal.

If a consensus can be reached among the affected provinces based on this proposal or a slightly modified proposal, the federal government is prepared to take a look at it.

PORNOGRAPHY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is to the Prime Minister. The North American pornography industry has exploded from a $5 million industry in the early seventies to a $10 billion industry today.

The *Los Angeles Times* estimates that there are 1.5 million children under the age of 16 involved in the commercial sex trade in North America.

Most of this is happening in the United States. I think the Prime Minister would agree we would be naive to say that this plague is not happening also in Canada. The Prime Minister knows this is a problem.

• (1500)

When is he and his government going to bring forward legislation banning the possession of child pornography in this country?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, my hon. friend raises a very important issue. He knows that the Minister of Justice is away on government business today.

I will certainly take notice of this very important point and confer with the Minister of Justice who will get back to the hon. member as quickly as possible.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the former Minister of Justice, the present minister of defence, promised to bring forward legislation. The present Minister of Justice is just parroting this position.

The Supreme Court of Canada has made a link between pornography and abuse against women and children. Thirty per cent of all the magazines sold on news stands today would have been illegal 20 years ago.

When is this government going to put a stop to the suffering of those involved in this industry and do something?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I think I agreed with my hon. friend that it is an important problem. He does not have to yell to try to make it more important. I understood it correctly.

I am sure my colleague the Minister of Justice is also very aware of this. I will raise it with him and upon his return I am convinced that he will speak to the hon. member. Just bringing a bill before the House will not resolve the issue because the bill has to be passed. If we have co-operation on other bills maybe legislation would go quickly.

* * *

REVENUE CANADA

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, *The Montreal Gazette* reported that Revenue Canada will not try to collect $539,000 in GST payments it claims was mistakenly refunded to the Yes Committee after the October constitutional referendum.

It quotes the Minister of National Revenue, a candidate for the PC leadership, as saying that the debt is unfortunately not collectable.

Could the Minister of National Revenue inform the House whether this type of policy would apply as well to ordinary citizens, to small businesses and to the Vote No referendum committee in the same way?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, as the hon. member will know, the Minister of National Revenue is out of the House on business.

I would be pleased to take this question as notice for him. The position taken consistently by the Minister of National Revenue is to stand up for ordinary taxpayers and to do everything he can to defend their rights. This is a Minister of National Revenue who has fiercely defended the rights of Canadians. He has spoken out strongly to ensure the laws of Canada are enforced.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I wonder if the government House leader could inform the House of the business that he proposes to bring before the House tomorrow, Friday and for the early part of next week.

I know he will not agree with the comments of his colleague, the assistant House leader, when he says there has not been co-operation in the House. I think he knows there has been extensive co-operation. He would agree with me that bills have been sailing through this House at a record rate.

Perhaps he would give us the business for next week.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, this afternoon we will continue with the sixth of the seven allotted days for the supply period.

Tomorrow I understand there is agreement to complete second reading in the morning of Bill C-97, the Marine Insurance Act, and Bill C-83, the Transport of Goods by Waters Act. Tomorrow afternoon we consider report stage of Bill C-113, the Expenditure Restraint Act.

Monday will be the last allotted day for this supply period.

Tuesday we will continue with Bill C-113 at report stage, if it has not been completed, or with third reading of Bill C-113.

As well, we are hoping to come to an agreement to do second reading of Bill C-116, the Conflict of Interest Act, in the evening one day next week. However there seems to be some reluctance on the part of the New Democratic Party to quickly pass this important piece of legislation which improves and strengthens the rules governing conflict of interest for parliamentarians.

I hope we can also have similar agreement concerning the elections act as well.

• (1505)

While I would certainly not want to suggest that there has been no co-operation, I wanted to echo that my parliamentary secretary was absolutely correct in saying that with more co-operation we would have time to participate in debates that the public were interested in and in pursuing important bills like ones dealing with child pornography.

Quite frankly, as the House leader, because of the inability to get through those bills which have significant financial impact on the taxpayers of Canada I have had to tell my cabinet colleagues that there is no use bringing forward more legislation, even good legislation, because I simply cannot get it through the House.

Mr. Milliken: Madam Speaker, we all know the unreasonable demands that are placed on the House leader by his cabinet colleagues. They seem to expect him to perform miracles because they bring their legislation forward late instead of early in the mandate. But that is a problem that the opposition is unable to assist him with.

I wonder if he would consider moving the final opposition day from Monday, March 22 until later in the week. He knows that the supply period ends March 26 and calling the last supply day on March 22 allows less than two weeks for the committees of the House to consider Supplementary Estimates C, which were tabled only on Tuesday, March 9.

I know he must agree with me when I say that the study of the estimates is one of the primary responsibilities of this institution and he would want to allow maximum time. Would he not agree that less than two weeks is an unreasonable amount of time to study those important supplementary estimates and that perhaps he should delay the supply day until later in the week?

Mr. Andre: Madam Speaker, I would certainly be prepared to do that if we could show this new spirit of co-operation and get some agreement under Standing Order 78(1) or 78(2) for Bill C-113.

If the hon. member is suggesting that he is willing to co-operate in support of what he just said was a co-operative mood, and we can get agreement under Standing Order 78(1) or 78(2) to proceed with Bill C-113, then of course we can move the supply day to later on in the week. That would certainly be satisfactory to me. We can always make those kinds of arrangements.

Now he has held up four fingers, suggesting four days. The British Parliament was able to discuss Maastricht in six hours yet he thinks we need four days for Bill C-113.

This is what I mean. They talk co-operation, Madam Speaker, but in fact when it comes down to the crunch they want debate, discussion *ad nauseam* to an empty Parliament because no one is interested in what they have to say.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I suggest to my hon. friend, the government House leader, that he would find much more co-operation if the government introduced legislation that the public was actually interested in, as opposed to the legislation that he is introducing.

He said he was going to hold this as a tantalizing encouragement, that he would one day bring in legislation that the public was actually interested in. The sooner the better.

He referred to the New Democrats having some concern regarding Bill C-116, the conflict of interest legislation. I want to say very clearly that we have supported this legislation for as long as I have been in this House. We have been asking the government to come forward with legislation as long as I have been in this House. The fact that we have waited for eight and a half years for legislation seems to me to be odd, at this eight and a half year period, to be wanting to rush it through in one evening's debate.

We are anxious to support this legislation. We have some concerns with it but we want to approach this in a rational, logical and business-like way to ensure that it receives the appropriate study and examination. To rush it through late one night seems to be an unusual way to deal with such important legislation.

Mr. Andre: The hon. member knows that in fact the legislation exactly reflects the unanimous report of a committee of this House, which produced these recommendations, upon which there was New Democratic Party members. He knows that every member has the bill in his possession right now and is capable of reading it and reaching any conclusions. In fact, if they want to go back and amend that previous report there is even the capacity to do that.

What I cannot do and act responsibly to the taxpayers of Canada is put on hold or delay a series of bills, the collective result of which is about a billion dollars—that is one and nine zeros—impact on the taxpayers of Canada in order to bring forward what the House leader of the New Democratic Party describes as legislation of interest to the public. These other pieces of legislation may not be sexy but they collectively save the taxpayers $1 billion.

• (1510)

If you can show me a cost benefit which shows it is somehow more valuable to the Canadian taxpayers to

put aside these savings of $1 billion in order to "use House time on such important things as conflict of interest or other things of interest to the public," then I would be willing to discuss them. But I humbly suggest that until you can prove that the taxpayers are better off pursuing the strategy he is talking about then I am afraid I have to proceed in the manner I have outlined.

Mr. Riis: Madam Speaker, I do not understand clearly my hon. friend's point. It was he who suggested that eventually we will get to legislation that the public is interested in. I am just quoting back his own remark.

The point is that there is a way to do business in the House that is well and historically developed. It is an appropriate process that we have all agreed to. That is why we have Standing Orders. The House is unanimously in agreement as to the ways and means of conducting business here. It is not late at night, sneaking some very important legislation through.

I want to suggest to my hon. friend the following. He has obviously not read the report and the legislation. If he had read the committee report and had studied the legislation he would know that there are great differences in the two documents. That is why we want to proceed with thoughtful, logical, sensible, positive study and examination in the right place at the right time. It does not mean some late night sitting for the government to slip something through on behalf of the taxpayers of Canada.

Mr. Andre: Madam Speaker, there is nothing to sneak through. The lights will be on. *Hansard* will be here. Television will be here. We will sneak nothing through. We cannot do it. It will all be done under the glare of the television lights so do not worry about sneaking things through.

I think what the hon. member has to recognize, and I hope the House will recognize, is that the first priority this government has is to protect the taxpayers of this country. We think this legislation, arriving as it has out of consultations involving all the parties in the House and unanimously agreed to in its substance, should be passed.

If the hon. member is suggesting that we should put aside the bills dealing with significant savings to taxpayers and devote time to conflict of interest, then I am sorry I cannot perceive that.

However, let there be no mistake, if in fact prior to the next election there is not conflict of interest law in place, the blame will rest squarely on the opposition for failing to co-operate.

Mr. Riis: Madam Speaker, I cannot let that go without some response. We have waited eight and a half years for this legislation. Now the government is prepared to act in the dying moments of its mandate.

I want to put this on the record very clearly. The government wants to rush legislation through now, some of it very important legislation that we will support and facilitate. The reason the government wants to rush this legislation through is because it wants to sneak, not conflict of interest through but NAFTA through, the free trade legislation that will profoundly influence the future of this country.

[*Translation*]

Madam Deputy Speaker: Of course I will let the minister answer, but I think we are now getting into discussions about each side's intentions. I also have the feeling that the usual Thursday question is turning into a debate and that somewhere other than the House of Commons may be the place to carry on negotiations that normally go on all the time in that place.

I will let the minister respond very briefly, but I think that we should then continue with what is on the Orders of the Day. The hon. minister has the floor.

[*English*]

Mr. Andre: I agree, Madam Speaker. I want to say that we have been asking for two days in a row now to refer the NAFTA legislation to committee so it can be properly studied and not to sneak it through and that has been denied by the NDP.

Madam Deputy Speaker: We are really getting into debate.

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, this is a question for the House leader. The parliamentary secretary perhaps would take note of it.

I would like to know when the government will proclaim Bill C-63 which was the act to establish a Canadian race relations foundation, in view of the fact that this bill received Royal Assent way back in February 1991, and in view of the Prime Minister's obvious support today and concern for the Japanese Canadian redress?

• (1515)

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I took note of the question raised by the member for Vancouver East and we will be provided with an answer as soon as possible.

While I have the floor, Madam Speaker, I have a point of order, if you would hear it.

Madam Deputy Speaker: The hon. parliamentary secretary has the floor.

Mr. Langlois: Madam Speaker, I believe that you would obtain the unanimous consent of the House to allow the Minister for External Relations to make a statement, followed by statements from a member of each party.

Mr. Gagliano: Madam Speaker, we give our consent for this statement.

Mr. Plamondon: Madam Speaker, it goes without saying that we would agree to giving this unanimous consent so that the minister can speak on this Francophonie Day. Of course, I hope that when the parliamentary secretary said that each party could speak, we will have two or three minutes to do so as well. In any case, we ask the House for that at the same time as its unanimous consent.

Mr. Kindy: Madam Speaker, I would like to give my consent, but as the independent members do not have the opportunity to express their opinion on it, I would like the House to allow us to have our say as well.

Madam Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Madam Deputy Speaker: The Hon. Minister for External Relations and responsible for the international francophone community has the floor.

ROUTINE PROCEEDINGS

[*Translation*]

WORLD FRANCOPHONIE DAY

Hon. Monique Vézina (Minister of External Relations and Minister of State (Seniors)): Madam Speaker, I welcome this opportunity to draw the attention of the House to the events that will take place on World Francophonie Day on March 20 and to the importance of this anniversary for Canada and the international community.

Canada is privileged to be a member of our two major international families, the Francophonie and the Commonwealth.

In both families, one traditionally headed by France and the other by Great Britain, Canada's status is such that it is able to create support for the fundamental values it is intent on sharing with all its fellow members.

Canadians should realize the importance of Canada's membership and its unique status within the Francophonie.

Canada has every reason to be proud of belonging to this great francophone family whose membership today includes 47 countries and governments, spread over five continents and representing more than 400 million people.

This forum, initially dedicated to cultural and linguistic issues, has since 1986, thanks to the summits of heads of state and heads of government, expanded to include political, economic and development co-operation. Much of the credit goes to our Prime Minister who was involved since the very beginning.

This year there will be many events to mark this anniversary. Activities will mostly emphasize youth, starting with a conference of youth ministers next June in Senegal, to provide for a lasting follow-up to the New York summit which the Prime Minister of Canada had the honour to co-chair with the President of Mali.

In July, the second Francophonie games will take place in Marseilles and Aix-en-Provence, where more than 400 young Canadians will represent Canada's sports and cultural elite. Finally, the fifth summit of heads of state and heads of government from countries where the French language is commonly used will be held in October in Mauritius.

Madam Speaker, like the events organized by Quebec and New Brunswick, those that will take place today in Ottawa are intended to make more and more Canadians aware of the Francophonie and its influence throughout the world.

Today, I had the pleasure of receiving the francophone diplomatic corps, representatives of non-governmental and international organizations and many parliamentarians who will celebrate World Francophonie Day.

These gatherings provide an opportunity to salute the achievements of the international Francophonie. Events include the presentation of the Prix de la Francophonie nationale and the official inauguration of a Salon de la Francophonie on Parliament Hill. I may add that this was possible thanks to the co-operation of the Canadian section of the International Assembly of French-speaking Parliamentarians and the Association canadienne d'éducation de langue française.

• (1520)

With my counterparts from Quebec and New Brunswick, Mr. Guy Rivard and Mr. Edmond Blanchard, I will also have the pleasure of attending the Symposium du Québec sur le Monde associatif francophone d'Amérique, which will be attended by all representatives of America's Francophone community.

Madam Speaker, I wish the international French-speaking community a memorable World Francophonie Day.

Hon. Marcel Prud'homme (Saint-Denis): Madam Speaker, I proudly wear this crest which says in French, "in French, of course". With this in mind, I join the hon. minister today in celebrating International Francophonie Day, which is March 20, as it has been proclaimed. We want to mark that date today.

The French-speaking world is alive and well and Canada is one of its essential pillars. It is with great pride that I as a French Canadian speak on it today.

Canada is a unique country where two realities, two worlds, two cultures meet. This makes Canada what it is today; it is what makes Canada the envy of the world.

We have proof of that when we walk around Ottawa and anywhere in the country. I am surprised that parliamentarians—not just ordinary people but also parliamentarians—occasionally forget to take a walk on Parliament Hill. I always ask hon. members to just walk around Parliament Hill to see symbols of what Canada is. We have the statue of Baldwin and Lafontaine supporting each other. They built this spirit of acceptance and tolerance—not tolerance in the sense of arrogance but in the sense of mutual acceptance. Seeing Cartier and Macdonald, Diefenbaker, Pearson and St. Laurent, on the Hill or anywhere else, makes one realize that there is something unique in this country.

I take this opportunity because this morning, together with the hon. minister responsible for the Francophonie who has just addressed us, and with the Prime Minister, and through the kindness of Senator Thérèse Lavoie-Roux, we inaugurated a special *Salon de la Francophonie* to match the Commonwealth Room right here in our Canadian Parliament.

Madam Speaker, you yourself preside over the International Association of French-speaking Parliamentarians and do a very good job of it. We also have the Canada-France Parliamentary Association. These important associations really symbolize what this country can represent.

This morning two prizes were awarded: the *Prix de la Francophonie canadienne* and the *Prix de la Francophonie internationale*. The recipient of the *Prix de la Francophonie canadienne* for students is with us today. He won $2,000. Despite his youth—and I want to mention that, because I think his is the spirit of hope in our country—he gave his $2,000 to the association he leads, the *Jeunes du pays* in Bois-de-Boulogne College. By the way, I must say that I was absolutely delighted to note just this morning that these young people are from a college in my riding, although that is just by chance.

I want to name them so that their names will be recorded and they can go around with pride and show that they can build something in this country. The young man is Carl-François Christophe and with him is the young woman who will take over the club from him in a few months, its future president, Sylvie Perron. I think that when we want to say something new about the Francophonie, we should involve young people and seek them out.

I know that I have already spoken for about a minute more than the minister, which is not customary, but I would just like to add one thing. I do not understand—and I am saying this in French but I almost feel like saying it in English, even though this is Francophonie Day—but we have understood it for a long time.

• (1525)

[*English*]

I cannot understand how people do not see a richness in the fact that we could belong to both the Commonwealth of Nations, in which English is predominant, and La Francophonie, in which French is predominant.

[*Translation*]

The two working languages of the United Nations, the two working languages of the International Parliamentary Union, the two working languages of many international organizations, we have that in our country. So I say to French Canadians, to Canadians, to French Canadians in Quebec—and I am one, a French Canadian from Quebec—to simply look at this richness and just to understand, first, that we must improve the quality of our French and understand that French can connect us to international affairs. In a way, that is what we want to celebrate today.

This morning the Prime Minister said—and I will certainly quote him because you, Madam Speaker, and he and I attended the first Francophone Summit in Paris—I want to quote what he said, and I hope that I get it right because the press is here. He said that Canada is a child born of France and Great Britain. That is beautifully put.

I conclude by saying to you that France is very important. France gave me my cultural oxygen, so to speak, the taste for the French language, the desire to read, understand and write this extraordinary language, this language of culture. But we also have Great Britain which gave us this parliamentary institution and the British parliamentary system. I like the British parliamentary system.

[*English*]

I like the British parliamentary system given to me because I belong to the Commonwealth and I like—

[*Translation*]

I love my language, French. It is important for us. We must protect it and spread it in Canada. We must protect it and especially work to ensure that heads of state understand through the French Commonwealth, so to speak, that they are committed to respecting democracy and fighting torture in their countries. That is why it is important for Canadians to be present in this very important organization that we will celebrate very soon, the day after tomorrow.

Mr. Cid Samson (Timmins—Chapleau): Madam Speaker, I am filled with pride as I rise today in support of World Francophonie Day to be celebrated on March 20. Seeing that I am the only native speaker of the language in the NDP, I am even prouder, because in my work wherever I am in the country or in my riding I never hesitate to say how proud I am to be a francophone. Our country is only richer for the fact that we have two languages, that we are bilingual, that we are part of both the Commonwealth and the French-speaking community of the Francophonie.

Madam Speaker, I shall be brief in view of the fact that other hon. members wish to speak. On behalf of the New Democratic Party, I want to wish a great day to the Francophonie, the international French-speaking community. Let us keep going with luck and courage!

Madam Deputy Speaker: Unanimous consent having been given earlier to recognize two other members, I gladly do so. The hon. member for Richelieu.

Mr. Louis Plamondon (Richelieu): Madam Speaker, I too welcome this opportunity to take part in this brief debate on the Francophonie and the international day to be held on March 20.

With some 100 million native speakers, the French language is one of the most commonly spoken in the world. Like the English language, it is an official language used as language of instruction and even of business in some thirty countries around the wold, hence spoken by 200 million men and women.

It is used internationally to gain access to culture and the latest intellectual developments. It is a working language on an equal footing with English in several international organizations such as those operating under the United Nations.

• (1530)

La Francophonie is also a state of mind, a feeling of belonging. It is a meeting place for men, women and cultures with a commonality of language, according to Senghor.

Madam Speaker, Quebec belongs to this great international Francophonie. It belongs as a member and soon it will belong as a country. That is what the future holds.

What better way to preserve this precious heritage of Francophonie than to build a country around it! If we look at the survival of Francophones outside Quebec, it is clear that a federation is not the answer for the survival of the Francophonie in North America. The Canadian Federation has been more inclined to destroy than to promote French culture in North America. Quebec must create the framework it needs to protect its Francophonie. With 3 per cent Francophones in North America, a country is the best way to ensure the survival of our Francophonie.

Today, we now have a "Salon" on Parliament Hill. We say: three cheers! But is this not too little, too late? As francophone Quebecers, don't we really want a whole house where we will be "maîtres chez nous"? Keeping that in mind, I want to say how proud we are as Quebecers to belong to this Francophonie and that we are looking forward to one day sitting with our fellow members as the 48th francophone country on this planet.

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, I am proud to have this opportunity to extend my congratulations to the international Francophonie, on behalf of Western Canada and Alberta. As you know, Madam Speaker, in Edmonton we have the collège Saint-Jean which is an outpost of the Francophonie, and I am proud to come from a province that fully accepts French.

I also would like to stress the fact that Quebec, as the cradle of North American Francophonie, is the most important place in North America. My best wishes to my fellow members from Quebec in Parliament.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—CANADIAN YOUTH

The House resumed consideration of the motion of Mr. Speller (p. 17177).

Madam Deputy Speaker: I apologize, I had been told that the floor was free. I am told there are five minutes left in questions and comments.

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, I want to first of all thank my hon. colleague for his speech this morning on this very important subject. He mentioned the whole question of illiteracy and his concerns are very valid concerns which this government should take seriously.

I know the hon. member spoke about this but I want to bring it to your attention again, Madam Speaker. The Economic Council of Canada has forecast that there will be a further one million illiterate people joining the work force by the year 2000 at an estimated cost to Canada, to every Canadian, of about $10 billion annually. That means every single Canadian has to pick up this cost. I am wondering if the hon. member would elaborate some of his views on this issue because to me it seems like a very serious problem.

• (1535)

Mr. Mac Harb (Ottawa Centre): Madam Speaker, my colleague's point is an excellent one. That is one of the reasons I and my colleagues over the past two years have been urging the government to take some tangible action when it comes to the question of literacy in Canada. That is also why I have on a number of occasions been calling for the establishment of a national literacy standard by which literacy becomes a right rather than a privilege, and that goes hand in hand with education.

Unless we get to a point where we recognize literacy as a right there is no way we are going to be able to fight for it, there is no way we are going to be able to move forward. That is why I am in the process of making a proposal to this House calling for the establishment of a mechanism whereby we would have national education standards.

As a result of this question I want to direct a question to the minister responsible for literacy in Canada, and I am delighted to see him here in the House. Will the commitment of the government to literacy be an ongoing commitment? In other words, will that commitment be independent of election year, independent of the politics of the government of the day? Is there any intention to bring forward to the House of Commons some sort of legislation whereby the secretariat of literacy will become a permanent fixture, a part and parcel of our government? Will it come up with some sort of a formula whereby our administrators do not have to appear before the government every year to ask for funding?

I want to share the rest of my time with the minister, if you do not mind, Madam Speaker. Maybe he can share with us some of his wisdom.

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, I guess you have just given me a promotion.

My question is for the member for Ottawa Centre and concerns transfers to the provinces. Federally we transfer $6 billion a year to the provinces for post-secondary education. That is a significant transfer of dollars. It represents a 43 per cent increase since 1984–85 and is not an insignificant figure at all.

I would like him to touch on the conditions that should possibly be attached to those transfers. One of the arguments we hear in this House is that although we transfer the $6 billion the spending is entirely discretionary on the part of the provinces.

Constitutionally we understand that the provinces are responsible for education, but should we consider attaching conditions to the spending of those dollars? I believe, as most of us in this House do, that those dollars do not always go to education.

Mr. Harb: Madam Speaker, this is a very valid concern because unfortunately we get stuck with provinces such as the province of Ontario which take the transfer payments from the federal government and rather than spending them on education they spend them on other issues that have absolutely no relevance to education whatsoever. This is a very valid point.

That is why in my speech a little earlier I took the stance that what the government of Ontario is doing is wrong. The money that has been given by the federal government to the provinces to be spent on education should be spent on education.

That is no different than the money the federal government is giving to the provinces to spend on second language training. This is a shame. It is a national disgrace that the federal government has given money to the provinces, such as the province of Ontario, to spend on second language training and the school boards are screaming loudly on a daily basis because they cannot afford and do not have the resources to provide the second language training that is required for children who come to our society as a result of our immigration policy.

That is why it is imperative, particularly now for the federal government to call on the carpet the provincial governments of Ontario and other provinces to ensure that money being given to the provinces to be spent on education is in fact spent on education, even if that means amending the health care act and the transfer payment act that govern the transfer payments from the federal government to the provincial government.

• (1540)

[*Translation*]

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I read in the *Projected Order of Business*, under the heading *Government Orders*, the opposition motion which "condemns the government for policies regarding jobs and job creation". This reminded me of the results of the job creation policy of the government of the time, in 1982, at the end of the recession.

In 1984 when we came to power the unemployment rate stood at 11.8 per cent. At the end of the 1982 recession these people with their economic policies, forced Canadians who owned property and who had a mortgage to renew this mortgage at a rate of 22 per cent while inflation was surging ahead at 12.9 per cent, if I am not mistaken. Today these people would have us and all Canadians believe that the way to protect ourselves and to create jobs is to have an economic climate such as the one they created in this country around 1982.

Every measure we have proposed since 1984—and I am again referring to the last budget—was intended to give Canadians the low interest rates which they have today and the lowest mortgage rates in 35 years. Workers in northern Saskatchewan, British Columbia, New Brunswick or the Gaspé peninsula can now renew their mortgage at the lowest rate in 35 years. Surely this is conducive to job creation.

[*English*]

What we are here to discuss today is what the federal government is doing to help people acquire the skills that they need to bring their talents and abilities to the work force. That is the issue.

We live in a changing world in which new technologies are being developed and new economies are emerging. This means that the nature of work is in transition and increasingly we must compete on a global basis.

If we are to compete individual Canadians and Canadian businesses must be in a position to take advantage of the opportunities that lie ahead. Our policies will ensure that. Our policies will ensure that our work force will have the necessary skills to operate our factories and businesses.

Make-work programs, which are called for every day by the New Democratic Party and at times by our friends from the Liberal opposition, do not address these issues. They were the favourite approach of the 1970s. I understand that a party led by people from prior generations would stick to those solutions of the past. The solutions of the 1970s, make-work projects, lulled Canadians into believing that we can buy the illusion of prosperity. That is the Liberal way. They have tried it. They still rise in this House and call on us to borrow more and mortgage the future of all Canadians even more, and even those who are not born yet.

They say mortgage their future more, borrow more, pass more, create again the impression that we can buy prosperity and that we can buy the standard of living Canadians enjoy.

The Liberal way and the socialist way do not work. Proof of that—

[*Translation*]

Mr. Kilgour: Has your method worked?

Mr. Valcourt: Let me talk; your turn will come. Madam Speaker—

Madam Deputy Speaker: I would ask the hon. minister to address his comments to the Chair. If both sides avoid making comments directly to one another we will avoid unseemly language which should not be heard in the House of Commons.

Mr. Valcourt: Certainly, Madam Speaker. In fact, I am anxious to check the "blues" to see if I said anything unseemly. If I did, I withdraw it.

• (1545)

[*English*]

I want to make the point that make-work programs do not address these issues. They were the favoured measures of the 1970s and they did help remedy downturns in cyclical industries. I am ready to acknowledge this. However the problems we face today are more complex and require different and innovative solutions.

Now we do not wish to offer Canadians band-aid solutions that do not solve the problem. Instead we have instituted working at creative solutions and I tell my colleagues in the House that indeed they are making a difference.

[*Translation*]

We are providing more training to Canadian workers. We are helping Canadian industry meet its human resources needs. We are doing more with less, abandoning passive income support programs for more productive measures. As the saying goes: "When I look in the mirror I get upset, but compared to others I am doing just fine".

If you compare Canada to other industrialized countries, OECD members for instance, you can see that 75 per cent of income support funds are active rather that passive. In Canada, with the Unemployment Insurance amendment bill we passed a few years ago, we have now managed to activate 15 per cent of those funds to help people meet the challenge of acquiring new and greater skills. We are redirecting that inactive money—because we are paying people to do nothing—by providing them with help and enabling them to get the training required to re-enter the labour force, which discriminates much more today than it used to in terms of necessary skills. We must find new approaches.

[*English*]

Rather than offer Canadians more handouts, we want to give them the ability to find and keep stable employment. Our financial commitment in that regard has grown significantly to keep pace with this important priority.

In the 1993–94 fiscal year some $3.8 billion has been allocated for employment programs and services. That is considerably higher than the $2.1 billion spent in 1989–90. Now when talking about $3.8 billion it has to be looked at from the perspective of the government policy of reducing expenditure.

If we look at the cuts that my colleague the Minister of Finance announced in December, people will realize that not one penny was cut from the training funds, the money that can really help Canadians reintegrate into the labour market. That is a clear message that this government affords the highest priority to human resource development.

My colleagues were talking earlier about the education moneys that are being transferred over to provinces. The funding of $3.55 billion in 1992–93 enabled close to 700,000 Canadians to participate in Employment and Immigration Canada's labour market programming. In 1993 $2.21 billion will be directed toward training and adjustment measures for UI claimants. As I said earlier, the training this funding will provide is essential to help the unemployed find new jobs.

We introduced Bill C–113 which is before this House as we speak. It is hoped that later this week it will be considered at report stage. Bill C–113 will introduce measures which will no longer allow those who voluntarily quit their jobs without just cause and those individuals fired for misconduct to claim UI benefits.

• (1550)

I understand that these changes are opposed by the Liberals and the New Democrats. They say that Canadian taxpayers should pay unemployment insurance benefits to people who voluntarily without just cause choose to become unemployed. That is the position of the Liberal Party.

Hard–working Canadians are being asked by the Liberals and the socialists to please continue paying benefits to people who choose to become unemployed. Not those who have to quit a job for just cause, and many do. Those people will be fully protected. But no, for those who have no reason whatsoever, no provocation, no just cause, they say: "Please Canadian taxpayers, pay these people benefits".

These are policy positions of the opposition that result from—

[*Translation*]

—how could I say it so as not to offend you, Madam Speaker—their connection with or their commitment to such special interest groups concerned with the higher interests of the nation. I think this is a sad and alarming position to take, but ultimately the Canadian people will decide between the solutions they have put forward, those reactionary solutions, and the ones put forward by a progressive government and a progressive party such as ours.

These measures allow us to do more in terms of training as they make money available. Instead of paying benefits to people who, by the way, are free to quit their jobs without just cause—I am not stopping them. The point I am making is that we should not be asking money from our neighbours to pay for these benefits because we need that money to provide yet more training to those who truly need it, that is the workers who did not choose to become unemployed but were laid off all over the country because of the economic restructuring and technological changes we are facing. Some would like us to ignore these changes.

[*English*]

They wish away problems. But you cannot wish away problems or reality; these things are happening. We have to have the tools in place which help our people to be able to meet those challenges. Those policies are expressly tailored to do just that.

[*Translation*]

Government is aware of the specific problems facing especially long–standing employees, those men and women who suddenly find themselves with no job after having been employed by a company or having worked for their employers for a long time.

In the near future, we will be implementing a special program for people who get laid off after having had stable employment. In many cases these people lost their jobs because of the world–wide industrial restructuring that is taking place. More often than not plants close suddenly. There is no way of warning the workers well in advance. So they do not have time to prepare, to retrain or to look for another job.

In this new program we at Employment and Immigration Canada will be spending $300 million to provide assistance to these men and women to help them re–enter the labour force as quickly as possible. This assistance will include teaching job–search techniques, administering skill tests and providing information on the labour market, and it will enable some of these people to get the training required to get a job.

• (1555)

Under the new program Employment and Immigration Canada will establish partnerships with certain communities and businesses to set up local adjustment assistance committee. Through these committees we will be able to promptly provide laid–off workers with the services they need. As you know, Madam Speaker, some groups are specifically targeted for assistance under Employment and Immigration programs, but we have never paid particular attention to permanently laid–off workers who have had ongoing employment for long periods of time. That is what this program is intended to do.

[*English*]

The previous member talked about the school drop–out situation. I want to say that our stay in school program has been an outstanding success. If colleagues remember, the current Minister of the Environment was the minister responsible for youth when he introduced this stay in school program for all of Canada. It has been an outstanding success.

An increasing number of young people in this country are choosing to stay in school and upgrade their education. Between 1989 and 1992 the proportion of youths 20 to 24 years old who were full–time students rose from 48.4 per cent to 53.5 per cent. This is a tangible sign that young people are recognizing the importance of a good education.

My colleague has already informed the House about this program and our other programs for youth employment, but we are doing more. Canada's young people have access to all employment and immigration programs. Our figures show that in the 1991–92 fiscal year a little over 196,000 young Canadians took advantage of our other programs. Regular program spending for the youth segment of our clientele amounted to almost $740 million.

Now this is serious money. This is taxpayers' money. It is devoted to that segment of the population which probably has the heaviest burden on its shoulders, that of assuring the future social, cultural and economic success of this country.

Education is not just for the young. The government places a great deal of importance and urgency on building a private sector learning culture in Canada.

We all know that in the past in order to be successful in the regions of Canada all that was needed were strong arms, a strong back and strong legs and a hard–working spirit. In that way we were able to create this country and create wealth. We have been able to develop a standard of living almost unequalled in the world. Canadians have a high standard of living and we did that mostly with our muscles and partly with our brains.

Nowadays that is over. Future wealth will only be created by that grey matter called a brain. That is the reality. That is why human resource development, training and education must be at the forefront of the government's concern in this country. This government has shown its true colours in terms of education and training by the amount of taxpayers' dollars it is directing to this crucial issue.

I said that education is not just for the young and it was important that we create this learning culture in Canada as a result of the reality we face. We have a dedication to the renewal of this great nation's human resource infrastructure, that is, our people and their skills. The quality of the work force in Canada will be and is a direct determinant of our future prosperity.

• (1600)

[*Translation*]

The Canadian people know that manpower retraining is essential if our country is to compete on the international market but they are concerned that we may be out-done by our major competitors. In Canada the private sector has to invest more and realize that only through manpower training can their competitiveness, their productivity and their success on the global market be ensured.

Madam Speaker, you are signalling that my time is almost up.

[*English*]

I would love to have been able to speak about the central initiative which I predict will revolutionize the way in which the private sector considers training and education in this country. This is a $352 million initiative that is already in place and will be expended in a major way in the next few months for the benefit of Canada.

For all these reasons this House should never condemn the policies of this government because they are exactly what Canadians need.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I will tell you that I have a lot to say about the minister's last sentence.

I want to ask him two questions. In his speech the minister referred to the POWA program and said that he cares a lot about those who after a number of years lose their jobs because the company for which they were working shuts down. Therefore, his government according to him wants to implement programs to help these people and ensure that such a thing does not occur. I will get back to this issue.

As for POWA, is the minister aware that right now workers are laid off and will not be able to get the benefits or the help provided for older workers because of a rule in this program? For two or three years we have been presenting petitions to have this rule changed. For example, on the island of Montreal if a company closes down and has fewer than one hundred employees these people do no qualify. It is not their fault. They are not responsible for the plight of the company. They are old enough to qualify for this program. The number of years during which they worked in the industry makes them eligible but because the company must have a minimum of 100 employees they are penalized. In cities such as Montreal, Toronto and all the metropolitan centers which have been experiencing very hard times in the last few years because of the recession workers who are 55 years old are unemployed, cannot get jobs and find themselves in a difficult situation precisely because of this POWA program set up by this government.

Madam Speaker, I have a second question for the minister. He says that the policies put forward by his government and by him as Minister of Employment are bringing good results. I would like to tell him about some of those results, especially in Quebec. In our province, 29 per cent of the population is under 30 years old. They account for 50 per cent of part-time workers and 72 per cent of workers earning the minimum wage. Thirty-three per cent of Quebecers on welfare and 42 per cent of Quebecers on unemployment insurance are less than 30 years old. The drop-out rate in Quebec is 36 per cent, the highest in the country. Is that the result of the minister's policies?

Mr. Valcourt: Madam Speaker, I did not realize that I would have the opportunity to give my learned colleague a course on constitutional law this afternoon. If the member wants to criticize the Quebec government in this House for the drop-out rate, so be it.

• (1605)

We all know that education is under provincial jurisdiction. Unless the member wants to be so partisan as to blame this government for the school drop-out rate in Quebec or elsewhere in the country, we should recognize the concerted efforts made by the government of Quebec and the Government of Canada to fight this drop-out problem.

I fully agree with my colleague that a drop-out rate of 36 per cent is unacceptable. However, it must be recognized, and I am sure he will agree, that more and more Quebecers and Canadians from all the other provinces are aware of how important it is for young people to stay in school. In our government's prosperity initiative I had the privilege to meet groups of parents and educators throughout the country who are trying to address the issue of drop-outs. There is a consensus in this country on the need to restructure our education systems and adapt them to the needs of our young people; this is in addition to other social measures which must be taken to help our young stay in school.

The hon. member referred to the Program for Older Worker Adjustment which is the responsibility of my colleague the Minister of Labour. Personally I can say to the Liberal member from Montreal that the best way to impoverish a nation is to idle its human resources. It is true that people who, unfortunately, are laid off, sometimes after many years at their job, have real difficulties retraining or finding a new job. It is with this in mind that we have introduced this Program for Older Worker Adjustment. We want to help those workers.

It is true that there are eligibility rules and that not everybody can retire. Personally, I think that we should try to benefit from this older workforce. In this country we treat our older people as if they had nothing more to offer society. We want to put them away somewhere and tell them to stay there. I say that our collective challenge as a society is to find out how we can benefit from the experience of those people. These older workers are an immense pool of talent, experience and wisdom, and we should see how we can make them re-enter the workforce so that the whole country can benefit from their experience.

I do not think that the solution is to find how we can make everybody retire at the age of 55. These people are loaded with talent; they can do a lot for their country. The programs which we need should rather seek to bring them back into the workforce and thus help the younger people who need their experience.

[*English*]

Mr. Cid Samson (Timmins—Chapleau): Madam Speaker, I would like to agree with the minister in one of the comments that he made a little earlier that one cannot wish away problems. He is absolutely right but one does not deal with problems that exist today by creating more problems.

He mentioned Bill C-113 and that voluntary quitters should not be entitled to benefits. The magnitude of that statement goes far beyond just the cutting off of their benefits. It also deprives them of the opportunity to get training.

The penalty the minister is imposing on these workers in this bill is overkill. The punishment must fit the crime. One cannot send someone to jail for stealing a chocolate bar, for goodness' sake, and the *status quo* certainly serves the needs of the Unemployment Insurance Commission in terms of people not having the ability to quit their jobs.

The minister talks very eloquently about education and about our older workers. He says that we should establish ways of utilizing that education. He is absolutely right, we should. But putting them in the ranks of the unemployed through the loss of their jobs is not the way to do it.

• (1610)

We have an educated work force. The problem is that there are no jobs to go to. I think that this minister rather than attack the unemployed should be looking at ways of attacking unemployment and creating jobs whereby we could use the talent of those older workers who are now out of work as a result of his government's economic policies.

We have university students who are graduating every year with no jobs to go to. Yet we are saying that we have to train people for jobs. The whole point that the minister is missing is that there are no jobs for these people to go to.

I would like to ask the minister this: Why does he not look at ways of encouraging industry to hire people?

The mining sector is hurting. There are ways of creating employment in the mining sector. We have miners who are out of work. There are thousands and thousands of years of work experience going to waste. Why not do something for the mining industry in order to put these workers back to work so that they can train people to keep the mining industry thriving and prosperous?

Why not look at those kinds of solutions to the problems instead of creating more problems by introducing bills like Bill C-113?

Mr. Valcourt: Madam Speaker, very briefly, I have two quick points. First, when the hon. member refers to the need for industry to create jobs, he asks what one does to create jobs. We entered into a free trade agreement. We entered into a North American free trade agreement because this is about trade.

We cannot sell our goods to this great population of Canada of 27 million people. We have to trade with the world. By trading and by opening the trading doors of Canada to the world we are creating jobs.

On the other point he made, we talk about the level of unemployment. In this country, in 1991, an interpretation of our help wanted index reveals that 300,000 jobs went unfulfilled in Canada because people did not have the skills.

My point is this and I will close on this: The modification to the Unemployment Insurance Act that takes people out who quit their jobs voluntarily without just cause leaves more money to train those unemployed Canadians who will get the skills to create and fill those 300,000 jobs that went unfulfilled.

I am sure that if the New Democrat member thinks this thing over he will want to applaud the measures of Bill C-113.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, it is a pleasure to rise in the House to discuss government policies regarding jobs, jobs creation, post-secondary education and job training and retraining, because of the severe implications that government policies are having on Canada's youth.

Those of us who have recently been to our ridings will know from recent experience the pain and suffering being caused to so many youths across this country. As the motion indicates whole generations of young Canadians are being robbed of their legitimate aspirations to have a job, to build a life and to work in Canada.

The only amendment that I would think would be appropriate to a motion like this is that this House should condemn the government for continuing Liberal policies regarding jobs, jobs creation, post-secondary education and training and retraining because that is really what has taken place.

Over the last 18 years we have seen cutbacks from the federal government to the provincial governments under both Liberal and Conservative federal governments that have had these extremely negative implications on the provinces. It would be appropriate just to indicate what those cutbacks have been because they have had a major impact on the provinces. I will indicate the impact that they have had on my province of Saskatchewan.

In 1975 the then finance minister, the member for Vancouver Quadra, placed a ceiling on federal contributions to help with post-secondary education. In 1977 the then Liberal government backed away from equal cost-sharing for health and post-secondary education with the provinces with the introduction of block funding. The federal share of spending has continued to decline.

In 1982 the Liberal government then removed the revenue guarantee program for health and post-secondary education transfers to the provinces. As a result of that, $6 billion has been cut from post-secondary education. In 1983 the six and five guidelines placed restraints on post-secondary funding. That has also taken millions of dollars out of moneys available for the province to fund such a critical aspect of any program which will provide opportunities for youth, that of post-secondary education.

• (1615)

In the last eight years of Liberal federal governments there were four initiatives which cut funding to the provinces for post-secondary education.

The Conservative government continued these cuts. In 1986 Bill C-96 changed the formula which escalated federal spending on health and post-secondary education. Instead of spending increasing at the rate of GNP, i.e. at the rate at which our wealth could permit it, the legislation reduced the rate of increase to gross national product growth minus 2 per cent.

This to the end of the 1980s had been costing the provinces $2 billion annually. In 1989 the finance minister proposed a further change to that formula and funding was reduced to GNP minus 3 per cent. In 1990 the budget imposed a two-year freeze on per capita transfers to the provinces for both health care and post-secondary education. In 1991 this 1990 freeze on health care and post-secondary education funding was extended for another three years and we are here debating that issue today.

We have clear joint responsibility on the part of Liberal and Conservative governments to attack the opportunities for Canadian youth to obtain post-secondary education. We could also talk about the cuts to other programs, to the cap on CAP and so on. These programs also have taken money away that the provinces needed to carry on the very important programs which will enable our youth to have a future and play a part in Canada's future.

In case anybody has any doubt about the magnitude of these cuts to established programs financing for health care and post-secondary education, in 1992-1993 because of this dozen or so measures by Liberal and Conservative governments, $247.9 million was taken out of the province of Saskatchewan.

Agricultural program cuts, primarily in the last three or four years, took $215 million out of Saskatchewan, and other programs such as unemployment insurance offloading, manpower agreements, young offenders, legal aid, RCMP, criminal injuries compensation and so on—the list is quite long—added another $75.2 million which was taken out of the province of Saskatchewan in 1992-1993 alone. The total is some $538 million, which is around the deficit of the province of Saskatchewan for that year.

Had the federal governments, Liberal and Conservative, not made offloading a priority, not transferred the debt load from the federal government to the provinces, the province of Saskatchewan last year would have had a balanced budget.

This year in spite of those offloading dollars the province of Saskatchewan will have reduced its deficit by almost half. The cost of these offloading measures, of the province having to take over more and more of education, is that other programs have to be cut.

This can only be described as short-sighted. The government's rhetoric is of course quite right. We do have to become a better trained, better educated work force. We do have to create jobs so that that training can be put into effect. We do have to compete in a global market and it is not getting any easier to do so. That is all the more reason why we should commit ourselves again to funding policies which assist job creation and job opportunities for our youth as well as for other Canadians.

The reason we should recommit ourselves to adequate funding for post-secondary education is that it is not appropriate and not good for Canada. It is not good for Canadians that our post-secondary education system is becoming ever more elitist, ever more difficult for those of lower incomes to have the opportunity for post-secondary education. The whole support mechanism is making it more and more difficult for ordinary Canadians to go to universities, colleges and technical institutions.

• (1620)

Summer job programs have been cut back so it is more difficult for a student to obtain a summer job. Student loan opportunities are cut back so there is not enough money available to borrow in order to go to university. It is almost a vicious circle: Student fees go up because of federal government offloading; one after another it becomes more and more difficult for Canadians to obtain post-secondary education.

We need initiatives to encourage job training and retraining, to ensure that businesses in Canada carry out their fair share of training, which they have notoriously not done in the past by comparison to other countries, and in particular by comparison to those countries with successful economies. All these things need to be re-thought and developed so that Canada's youth have the opportunity both to obtain the skills they need in order to participate in the work force and have job opportunities available to them so that they can use those skills to best advantage.

Over the last 15 years or so we have seen a gradual erosion, as I have pointed out, by both federal Liberal and Conservative governments in moneys and support available for those skill training programs and for education programs. We have also seen a move away from a commitment to job creation. We have seen an obsession with deficit control, both under the Liberal government—that is what the six and five guideline was about—and an obsession with inflation rather than an obsession with job creation.

Indeed, what that obsession with inflation has meant is that people have been deliberately put out of work in order to reduce inflation. That is not the way to get Canada's economy moving again. We all know that little will be achieved in terms of development unless we take seriously the need to educate our youth, to provide opportunities for their education and to provide job opportunities for them afterward.

I would like to take one step back because we all know that one of the problems we face, and the minister made mention of it just recently, is that we have an extremely high dropout rate within our school system. In fact we do not have a particularly enviable participation rate of college age students in our universities in comparison to, for example, the United States, which is embarking on a major campaign to increase the participation rate, while we are increasing student fees and making it more difficult for students to go to university.

One of the reasons why Canadian school children drop out of school at the rates they do is because of poverty. We all know we have one million Canadian children living in poverty. We have 1.6 million Canadians unemployed and 2.6 million Canadians living on social assistance. Not only is this a huge social problem but a waste of economic resources. Until we address the major problem that our economy, our society, is not geared to providing opportunities for all Canadians but is geared to ensuring that 4.2 million Canadians have no opportunities at all, we will never change that system. We need to take a different route.

The minister talks about the benefits flowing from the Canada-U.S. Free Trade Agreement and NAFTA. What we should be doing rather than giving up control of our economy to our large multinational corporations who do not give one whit about Canada or one whit about creating jobs, is taking control of our economy ourselves for the benefit of Canadians. It is not only for the benefit of Canada but for the benefit of those Canadian youth who need jobs and opportunities for the future.

We know from all the records that large multinational corporations operating in Canada have reduced their work forces over the last 10 to 12 years and continue to reduce their work forces. We know that large corporations in Canada generally have reduced their work forces. Those large multinational corporations, of which the government is so fond and has been prepared to ease their sphere of activity through the Canada-U.S. Free Trade Agreement and now through NAFTA, are the ones that are driving down employment and cutting back on jobs.

• (1625)

That is why we need to take control of our economy. There are ways of doing it. There are ways of taking charge of our economy. We do not have to give up control on the way as we have done. We all know that free trade began, not with the Conservative government, but with the Macdonald commission of the Liberal government. The whole plan for free trade was set out by Mr. Macdonald and his colleagues. It was then eagerly adopted by the Conservative government. It is not accidental that these things have worked in that way.

Only the New Democratic Party has been consistent in demanding that Canada's economy be controlled by Canada for Canadians. There are things we can do. I will not go into them in detail now but one of them clearly involves us taking charge of our education system, turning it into a system and making it work.

We must ensure that we invest more money in research and development rather than less. We should ensure that government works with business and labour in an effective way to plan the direction that Canada can take rather than just let these things be decided willy-nilly by the business community. It had led us into a situation of 11 per cent and 12 per cent unemployment, a million children living in poverty, 2.6 million people on social assistance and 1.6 million unemployed. That is where these policies have taken us.

What we need to do is take back control of Canada's economy by doing more in the training field, doing more for post-secondary education and doing more in research and development. This money will not be wasted. It is money invested in the future. No sensible government, no sensible corporation would not invest in its primary resource, its people. Yet we have seen continual cutbacks by this government and by the Liberal governments before it to those very things which constitute the investment in our future and in our youth.

Mr. Neil Young (Beaches—Woodbine): Madam Speaker, I know the hon. member for Saskatoon—Clark's Crossing has always displayed a concern for those individuals who have to depend on the social system in order to have any kind of standard of living.

I wonder if the hon. member is aware that an organization named the Coalition of Provincial Organizations of the Handicapped made a pre-budget presentation to the Minister of Finance on March 11, I believe it was. Its members expressed some concern not only about being trapped within the social welfare system and unable to get out of it because of the lack of employment opportunities, but they tried to bring to the attention of the Minister of Finance two things that were of great concern to them.

First of all the shifting of revenues under the Consolidated Revenue Fund of employment and immigration which they have relied on to a great extent for employment opportunities has been cut back in recent years. Also, the policy of employment and immigration now of increasingly applying training opportunities to those individuals only who are recipients of unemployment insurance benefits has effectively presented a barrier to someone who is not on unemployment insurance benefits from entering into those programs.

They were also very concerned about the transfer payments to the provinces which had to a large extent created a position where they cannot even get assistance under the Canada Assistance Plan because of the cutbacks from the federal level of government to provincial levels of government.

I want to ask the hon. member whether or not he has any information about the amounts of money that are involved in those transfer cutbacks. COPOH, the organization I just referred to, did not have those figures at hand the time they made the presentation. I think they would find that very useful information to have.

• (1630)

Mr. Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, I thank the member for his question.

While I do not have specific numbers of dollars, the minister is in the House and he might very well have some specifics which he could help us with. However, I want to support what the member is saying and recognize, as I think all members of the House should and most do, that the plight of the disabled in Canada in terms of access to job training and access to jobs is indeed of the most severe nature.

One of the problems that the member just highlighted is an absolutely critical one; that so many of the training programs are available only to those who receive unemployment insurance. Of course the vast majority of those persons who have been disabled and who have not been able to work in the recent past are not eligible for that training. Therefore it becomes ever more difficult for them to take their place in the work force.

The minister might want to comment on that. It seems odd that we would not want to break down barriers to job training rather than put barriers up and why there would not be more effective co-ordination with the provinces to ensure that this training is available.

It might also be that we should hear from the government on why it is taking so long to incorporate into the Canadian Human Rights Act the duty to accommodate that which would make jobs so much more accessible to the disabled and enable them to have the opportunity to work as of course they all want to do.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I have a question for the hon. member. How can the hon. member stand up in this House and purport to speak with some knowledge about the crucial question facing Canadians in training and not answer to his colleague that over and above the $2.2 billion that is being spent by the workers and employers of Canada to train the unemployed there is also $1.6 billion that is specifically targeted to disabled Canadians, to women, to natives and to minority groups across Canada—$1.6 billion that is being spent.

My other question to the hon. member is the following: Why is the New Democratic Party opposed to activating the passive income security money of UI for active measures to train Canadians? A sure way to help an unemployed person in this country is to help that person acquire more new skills to integrate a labour market that changes by the day.

Mr. Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, on the first question the minister raised, the issue is not so much how much money is being spent at the present time but how much money is needed in order to address the problem.

Clearly, with the huge unemployment rate among disabled Canadians, the money the minister is speaking of is clearly inadequate to address those concerns. If we are really serious as a country about making sure that disabled Canadians participate in the work force then we owe it to them to put some resources into that. Of course those resources are not just dollars spent, they are dollars that are invested in people which will return to the government in terms of taxation revenue and so on.

Therefore, the question is not how much we are spending. The question is how much money should we be spending and how can we find those resources to invest in Canadians.

The second question was with regard to the use of unemployment insurance funds for training. The minister and I do not disagree on the need for training. The minister and I do not disagree on the need to provide opportunities for those who are unemployed to be trained and to enter the work force. We seem to disagree on the need to have an active, creative and aggressive policy to create jobs in this country, because certainly his government has not done that.

• (1635)

Let us ask whose responsibility it is that those unemployed are unemployed. Is it their responsibility? Is it their responsibility they do not have any jobs, that they do not work? They all want to work. Most of them did work. They cannot find jobs now because of the economic climate, because of government economic policies and, of course, because we live in a difficult world economic environment.

If it is not those employees' responsibilities that they are unemployed, why should it be their responsibility to pay to be trained? Why should the training not be paid for those people who are responsible for their unemployment, for it is the government whose economic policies have turned those people out of work?

[*Translation*]

Mr. Langlois: Madam Speaker, on a point of order. After Question Period, when I asked the House for unanimous consent to allow the Minister for External Relations to make a statement, I should have mentioned that normally such a statement should have been made at the opening of the sitting, during Routine Proceedings. Because the minister was not present at the time we were unable to proceed.

I would like to ask now for unanimous consent in order to extend the present debate by 15 minutes to compensate for the time taken by that statement and to give members the time they would have had otherwise.

Mr. Gagliano: Madam Speaker, I thank the parliamentary secretary to the government leader in the House for his co-operation and, of course, we agree with his suggestion.

[*English*]

Mr. Young (Beaches—Woodbine): That would be satisfactory to the New Democratic Party also.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, on another point of order.

[*English*]

I think that you would find consent for the following motion:

That, notwithstanding any Standing Order, when Government Orders are called in the morning on Friday, March 19, 1993 the order for the second reading of Bill C-97, an act respecting marine insurance, and the other for second reading of Bill C-83, an act respecting the transport of goods by water, shall be called jointly for a debate on the subject matter covered in both bills; and

That the order for second reading of Bill C-97 and C-83 be amended by having the bills referred to the Standing Committee on Transport rather than a legislative committee in the Economics envelope; and

That, after one representative from each recognized party has spoken in debate, but no later than 10:55 a.m. on that day, all questions necessary to dispose of the second reading stage of the said bills shall be put forthwith without further debate or amendment, provided that any recorded division requested shall stand deferred pursuant to Standing Order 45(6).

Mr. Angus: Madam Speaker, we agree with that. I just want to point out to the House that once again we are assisting the government in pursuing the agenda.

[*Translation*]

Mr. Gagliano: Madam Speaker, in that same spirit of co-operation and in order to help the government meet its legislative schedule, we give our consent.

Mr. Langlois: Madam Speaker, I shall be brief. I note that the meeting between House leaders after Question Period was fruitful and I thank wholeheartedly the opposition parties for their co-operation.

Madam Deputy Speaker: The Chair is very pleased to be proven almost right for suggesting that negotiations be carried on outside the House, since a decision was reached which seems to suit everybody.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—CANADIAN YOUTH

The House resumed consideration of the motion of Mr. Speller (p. 17177).

Mr. David Bjornson (Selkirk—Red River): Madam Speaker, I am looking forward to entering the debate this afternoon. I am glad to be following the member for Saskatoon—Clark's Crossing because during his comments in the House this afternoon he raised some issues which I believe he will find I will respond to quite well in my prepared remarks. I am going to veer from my prepared remarks and talk about some of the successes I have had the opportunity to participate in over the last few years as a member of Parliament in working with the various programs within my riding of Selkirk—Red River.

I have had the opportunity to work with the very successful stay-in-school program. I would like to compliment a young gentlemen by the name of Trevor Kennerd, a sports figure within the city of Winnipeg area who worked well with the stay-in-school program. He has been a very prominent and significant spokesperson on behalf of it. I would like to talk about the START program later on but right now I would like to commend the people from the North Selkirk school division, the one that I have worked with on a regular basis, because of their participation in the START program. I have been to a number of graduation exercises in the last while. They have always been rather stirring because of the fact that the young people who have participated in these START programs have such an attitude change and seem to be focused on what we would consider the right direction.

• (1640)

The Minister of Employment and Immigration a while back released a paper called *Learning Well and Living Well*. The Triple-S Community Futures Organization in the Selkirk—St. Clements—St. Andrews area has been participating on a regular basis through a group they call *Focus 2000* working toward showing not only the government but the local division and other school divisions the necessity of changing the educational system. There is a nice young lady by the name of Mary Yardveson who is new to our community who has picked up the ball in this specific issue and has run with it quite well.

At the end of the day when this group comes together, it will have a chance to prove that the work of the Community Futures in the Triple-S area not only provides some very significant direction to the local school area but makes significant recommendations and provides direction to education throughout Canada.

I am very pleased and proud to respond to the motion by assuring the House that this government does indeed have the legitimate aspirations of young Canadians fully in mind. One need only look to the National Stay In School initiative for clear evidence of this government's commitment to supporting today's generation of young people in fulfilling their aspirations.

This five-year initiative was announced in the 1989-90 fiscal year by the hon. member for St. Paul's with a $296.4 million budget and was designed around three main components: a program component, a mobilizing component and a public awareness component.

My hon. colleague, the Minister of the Environment, was instrumental in capitalizing the initiative and in recognizing the critical role all Canadians would have to play in ensuring full economic and social participation for our young people.

I am pleased to note that the author of this supply motion appreciates the importance that training and learning have in job creation and ensuring that the jobs stay in this country.

As we all realize, the job market out there is a highly competitive one. That is why this government has repeatedly conveyed the message to members of the opposition that the solutions lie in fostering a life-long learning culture. The pathway to solution does not lie in continuing to live in the world of 10 and 15 years ago where you could just mortgage the future of emerging generations by increasing the national debt and ignoring the commitment that we as a country must make to learning.

It was our government which realized the importance and the crucial need for having a highly trained and educated work force in place if we as a country are to compete effectively in global markets and have our youth take their place in that work force.

Put that in context. Our government placed a stay-in-school initiative as the cornerstone of our approach to social and economic policy. It was and remains abundantly clear that you must build a solid foundation of work skills as part of the infrastructure for a sound human resource policy. But with three out of ten young people not even completing high school, you can rest assured that youth has a very high priority on this government's agenda if we are to ensure that they will be able to assume their role in society and fulfil their dreams,

ambitions and aspirations. Such dreams will be nightmares if the current dropout rate is not reversed.

Throughout the stay-in-school initiative's public awareness component we have been very successful in communicating the state of this issue and its consequences to Canadians at large and to young people in particular. It simply does not serve the future of our young people to enter today's labour market without the benefit of a secondary education and by extension without the employable skills employers are calling for.

• (1645)

There can be no disagreement then that three out of ten young people dropping out of high school is an unacceptable ratio, not simply because of the mid to long-term consequences but because of the personal foreclosure that dropping out spells for each and every young person.

The stay-in-school initiative issued a clarion call when it was launched four years ago. I am proud to say that it is one that has been heard clearly and responded to fully by communities, parents, educators, the general public and young people themselves. This has been done through an array of mobilizing activities carried out under this initiative.

Youth, youth-serving agencies, business, industry, education and labour are working together in a concerted effort and with great innovation to resolve the problems faced by youth at risk of dropping out of school.

No one, least of all this government, is underestimating the magnitude of the problem nor the degree of effort that it will take by all of us working together to ensure successful transition for our youth to the work force of tomorrow.

On the issue of high school drop-outs, I would venture that even the hon. members of the opposition would condone and acknowledge the extent to which this government has enacted an effective catalytic role in bringing the community partners together to redress and resolve this issue.

Members can share the pride that we all have in not only reaching out to youth with our message but also in obtaining the support of business, industry and the general public.

It is worth noting that communities throughout Canada have embarked on programs to encourage school retention. The call to action has been heeded by youth-serving agencies like the YMCA, the Boys and Girls Club, Big Brothers and Big Sisters, and business person's groups like the Rotarians that know how to put service to others before themselves, and there are groups like the Lions and the Lionettes, and my favourite, the Kinsmen and Kinettes.

They all recognize the need to positively support the work that is being undertaken in their communities, rather than just standing up and criticizing what is being done. They know how to assume their civic responsibilities. They have put positive action high on their priority list.

Canada's youth deserve the best and that is why our government has supported the action plan of communities through the stay in school initiative's program component. The START program, as it is called, lies at the heart of this initiative.

Through START programs more than 100,000 young people will have received direct services that encourage them to complete their schooling and build their self-esteem and confidence, which must develop so they can serve the community as best they can.

The kind of services forthcoming for young people under START programs are in the form of innovative interventions. Such interventions have not been developed in a state of limbo. Rather they have been dynamically developed by our community partners in a way that transcends any partisan road-blocks.

We count among those partners provincial and municipal governments throughout the land and corporate partners from all sectors. Practically each day news reports are carried in community newspapers reflecting the concerted efforts being undertaken to support our young people in completing their secondary education.

For example, in *Education Manitoba*, from February 1993, I read that a new resource kit for teachers and guidance counsellors has been developed under the stay-in-school initiative. It provides lesson plans designed to explore meaningful reasons for students to stay in school.

The first three lessons explore students' career goals and ways to achieve them. A fourth lesson prepares students for a visit from community speakers sharing their experience in the world of work. A fifth lesson focuses on helping students to actively explore their career choices. This is but one example of the resource material developed as a result of the stay-in-school initiative.

• (1650)

If I might once again digress from my prepared presentation, I remember quite vividly a picture in the local community newspaper very recently of the mayor of my home community of Selkirk, Mr. Bud Oliver. He had slipped away from his job as a businessman and was out in one of the elementary schools taking time out of his busy day to talk to young people about what it was like to be mayor and the importance of education.

The Focus 2000 group has built quite an initiative around getting local business people and people of different employment to go to community schools, whether they be elementary schools, junior high or senior high schools, to teach them about their experiences in the work place. I commend those people for those special activities.

This initiative clearly places the needs of this generation and their aspirations as a major priority of this government. The initiative's message that dropping out is no way out has projected far and wide.

Barely a day passes without a newspaper or a magazine, besides highlighting the importance of completing high school, conveying news and commentary about the increasing demands being made by the technology that is changing the work place for all workers and the implications it has for our ability to compete.

The challenge that it presents to our youth is unlike that facing any other previous generation. When we live in the here and now it is difficult to project what skills and abilities the entry level worker will require 10 or 15 years down the road. That is why Canadian youth are showing good judgment and not looking for the quick fix, but rather are placing a high priority on completing their high school education and continuing their studies at the post-secondary level, whether it be through the apprenticeship program, co-operative education pursuits or by attending college or university.

On the subject of quick fixes, I must point out that this government inherited a tremendous debt that nearly crippled Canadians, not only now but in the long term. Yes, we all have to make our sacrifices. We cannot continue to look at short-term band-aid solutions. That narrow vision does not really change the way we do things.

There is nothing I would like more than to be able to guarantee a good job today to every young Canadian. To do so we have to be prepared to stand in the fuller perspective of human resource development as a way of ensuring that Canadians work not only on a short-term basis or on make-work projects, but for the long term. We all have to deal with the needs of tomorrow.

It is for that reason that the stay-in-school initiative encourages youth, parents, communities, business, industry and labour to support locally driven activities. These are being created to mobilize our communities to support and encourage youth in making a successful school-to-work transition. All of us want our young people to be able to assume adult roles beginning with their legitimate aspirations.

It is of interest that with responsibility for the stay-in-school initiative residing with my hon. colleague, the Minister of State for Youth, that his ministerial portfolio with fitness and amateur sport offers a model of coaching which, in the context of the stay-in-school initiative, can and does make a singular difference in encouraging young people to complete their high school education.

It is no accident that the stay-in-school speakers' bureaus which exist in each region draw on the role models offered by young Olympic athletes and aspiring Olympians to convey the importance of training and the relevance of schooling to the world of work. The players of the St. John's Maple Leaf hockey team or Regina from the Western Hockey League are among our stay-in-school ambassadors. Coaching and mentoring form part of the 1,300 interventions presently supported by the stay-in-school initiative.

Just as we cannot expect an athlete to excel without the benefit of training, we cannot expect our young people to enter the realm of work without the skills or attitudes required by employers.

• (1655)

Allow me to reiterate. It is not a quick fix that will make it possible for young people to live their dreams. It takes diligence, dedicated action and action plans. I can assure the House that the action plans undertaken by our partners are starting to point to success under the stay-in-school initiative.

For example, in British Columbia alone when the stay-in-school initiative was launched 10 school districts experiencing the highest drop-out rates were targeted. Data gathered to date indicates that there have been significant improvements in student retention rates, with some school districts reporting there may be as much as a 50 per cent reduction in drop-out rates among the at-risk students.

In closing, let me again assure the House most vigorously that the stay-in-school initiative provides tangible, working evidence of the commitment that this government has made to help this generation of young Canadians fulfil their aspirations.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, I welcome the views of the previous speaker. I believe it would be wrong for any member of this House to disagree with the aims of the stay-in-school initiative.

I am by profession an educator. For four years between 1984 and 1988 when I was not in the House of Commons I returned to my profession. I found great changes in the attitudes of students, teachers and parents.

I had been in the House for some 10 years and it seemed to me that the emphasis when I returned was more on how to get along in society, which is a good idea of course, than it was on the accumulation of knowledge.

My hon. friend mentioned that we who are teachers and who have been teachers should have as our goal preparing our young people for the future. With all respect to the hon. member, that indeed should be the goal of education. We should be preparing them for change and for adaptability.

I can cite many studies indicating that the youth of today will have at least five different careers before their working life is over, by that I mean ordinary retirement.

If that is the case, and if our schools are to prepare them for their future, must we prepare them for any one thing or must we prepare them for a variety of things? I pose that as a rhetorical question in this sense: It is my view and it is my contention that the best we can do is prepare them for change because in this technological age, and that was the precise term that my colleague used, of technological change there will be positions in existence not 40 years from now but 10 years from now that we cannot even dream about.

How do we measure the success of a student? Is it by the marks we give them at the end of the day? Is it by the fact that when they go out to get jobs this one will earn $40,000 a year and this one will only earn $20,000? I pose the question to the hon. member who has just spoken.

In years gone by we did have standardized tests in Ontario. Let me explain. At the end of grade 13 there were exams that were written right across the province. In order to graduate from grade 13 everyone had to write these exams. From the results we said that this school is better than this school because it turned out more people who had higher grades. I ask the hon. member: Is it his view that we should have standardized tests in all of our schools across Canada?

• (1700)

I refer specifically to the end of grade 8 which is the end of elementary school and then again at the end of grade 12, if that is how many years we have in a particular province. I would like to hear his views on that.

Mr. David Bjornson (Selkirk—Red River): Madam Speaker, I think the questions that have been posed are quite legitimate ones. I do agree that there is a significant technological change going on in the world at this time. In fact I would say there is a technological revolution taking place today that probably is the equivalent or greater than the Industrial Revolution at the end of the 19th century and we have to be prepared to adapt.

I was questioned about how I felt education should take place. There was a lot of commentary about whether getting back to the basics was the right way to go but I think it is a simple term that probably is understandable if one has the basic skills and can then change and adapt.

I agree that there has been a significant change within the school system in the last few years. I think it is not only up to the government and the school system but the parents in general to take responsibility for that. I sometimes think that the parents ask the school division and the school teachers to do more things than they should. I think that a lot of things that take place within the school system should actually take place at home.

We have to give students these skills and we have to give them the ability to go out and perform. If we do not give them these basic skills how are they going to compete or how are they going to further their education?

There is a significant problem within one of my own school divisions. We have a very competent and internationally recognized elementary school called Birds Hill School that has a very progressive program in science and math education.

The problem is that they are looked upon as the black sheep of the family. They are left on their own, which is very discouraging to me and very discouraging to an awful lot of people. When one criticizes the education system then I will say very publicly by way of this commentary in the House that I have never seen anybody circle the wagons more quickly than the education system when somebody comes forward to criticize.

There was talk about standard testing or national testing. I am a proponent of that. I am a proponent of that because it is useful. Sooner or later somebody is going to have five different jobs in their lifetime. Sooner or later those five different jobs might be in five different regions of Canada. If I have to take my daughter who is now in high school from Manitoba and move to Alberta because of a career change, then I want to know that she has the same basics going into that education system in Alberta as she had in Manitoba. One should know that there is a similarity and that the goals to be achieved are very similar.

I sometimes question the attitude of educators who say that because different regions have different requirements that the educational system has to adjust to that. Maybe there is a certain amount of truth to that, but the basic skills of reading, writing and arithmetic are ones that can be carried around.

I have personally written the Prime Minister that I think the education system should be putting a lot more emphasis on delivering those basic skills to all Canadian students. I have no idea how the government puts this upon either the provincial government or the municipal governments, but those are the basic building blocks that you need to move forward in education.

I'll go back to the national standards. I believe that how one uses these national standards is open. My recommendation to the government has always been that if we create these national standards, whether it is industry or various education systems or universities, they may draw upon them. They may not be forced to draw upon them but there is the knowledge that if Dalhousie University wants to accept students from Selkirk, Manitoba, they know that they have achieved a certain level of education by way of a national test. I appreciate the questions.

• (1705)

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, let me first congratulate my colleague, the member for Haldimand—Norfolk, for this Official Opposition motion and I quote:

> That this House condemn the government for policies regarding jobs and job creation, post-secondary education and job training and retraining that are having the effect of robbing a whole generation of young Canadians of their legitimate aspirations.

Last February, the unemployment rate reached 10.8 per cent in Canada. In Quebec, it was 13 per cent; in Montreal, 13.7 per cent. Youth unemployment was at 16.7 per cent. That is higher than the Canadian average and higher than the average for the province of Quebec and for Montreal. Earlier, I mentioned some figures for the Minister of Employment and Immigration.

You come from Quebec just as I do, Madam Speaker, and you will understand that I am trying to give an indication of the situation in our province. People 30 years old or less represent 29 per cent of the total population, 50 per cent of part-time workers and 72 per cent of workers earning minimum wage. They also represent 33 per cent of all welfare recipients in Quebec and 42 per cent of unemployment insurance recipients. In the province of Quebec, the school dropout rate is 36 per cent, the highest in Canada.

The Minister of Employment and Immigration was saying that education is in provincial jurisdiction and I agree with him on that point. However, Madam Speaker, we must ask ourselves why there is such a high dropout rate in our education system. Is it because it is not working properly or because our social and economic system is not? Does the minister responsible for employment ask himself that question? If the dropout rate is so high, it is probably because people have lost all hope.

When young students see that their brothers and sisters, their friends and neighbours who have studied and gone to university or college are unable to find jobs after graduation, they get discouraged and wonder if it is still worthwhile to stay in school. It is easy to see that the problem lies not only in the education system and that we cannot put the blame on the provinces; it is due to the unbearable socioeconomic situation we have created in Canada. We are losing a complete generation.

I hope the Tory government, which is now embarking on a leadership campaign, will hold a debate on that subject and propose policies which will restore confidence and hope to young Canadians, that will give them an incentive to stay in school and bear with our education system. That way our young people will receive proper training and will be ready to face the challenges of the 21st century.

On this side of the House the Official Opposition and its leader Jean Chrétien commissioned a joint committee of Liberal members of the House and Liberal senators which travelled throughout the country. As the member for Saint-Léonard I had the pleasure of welcoming the committee to my riding and the young people of Saint-Léonard took part in the hearings. They had the opportunity to air their grievances, describe their experiences and explain why the present education system is not working.

After touring the country and listening to many groups and individuals, mostly youngsters, that committee made several recommendations and I would like to mention a few.

• (1710)

For instance, there is the creation of a national apprenticeship program by federal and provincial governments, in collaboration with labour and the private sector. This is very important, Madam Speaker.

Earlier the opposition and the government discussed the possibility that workers might have to change occupations at least five times in their career, as studies show. It is therefore important that we have national standards. We know that today the federal minister for trade and commerce and his provincial counterparts are meeting in a effort to bring trade barriers down. The time has come.

Much has been said in this House about free trade between Canada and the United States and free trade between Canada, the United States and Mexico but we still do not have free trade within our own country, Canada. It is therefore high time and I think that we will soon see some results. It is important that we do not encroach on provincial jurisdiction. We do not want to take anything away from the provinces but it is important to have national standards for our young people to develop in their own country and to have hope.

Another recommendation concerns the creation of partnerships between the federal, provincial and territorial authorities, the private sector and labour in order to promote co-op programs which allow young people to acquire job experience while studying. We are faced with a new crisis these days. Young people graduate and start looking for a job but invariably they are asked if they have any experience. How can they if they are not given the opportunity to work and gain valuable experience? It would be good to introduce such co-op programs at the provincial and federal levels, between management and the unions and between the work place and the school so that graduating students have not only an academic background but also job experience that would allow them to fully participate in society.

Personally, before I started in politics I had the opportunity to visit Europe and to look at their school system.

In Switzerland, a small company would not have hired a student if he had not studied in a particular technical college with which it had entered into an agreement allowing the student to return to the firm to practise what he learned in school. That is what a co-op system is all about. Not only did that student get a diploma at the end of his schooling but he was also given a certificate of apprenticeship by this particular institution showing that he was ready for the job market, instead of living the tragedy we are witnessing today. Young people sacrifice so much to get their college or university degrees but once they have graduated they are told that they need

experience in order to get a job and it is a serious problem for them.

Another recommendation, Madam Speaker, is the use of tax incentives to promote on-the-job training. It is very important that we do our utmost to encourage businesses to provide training and give a chance to our young people so that they can get a job and benefit from such training in order to remain competitive. This is the 1990s and soon it will be the 21st century; we have to be competitive. We can see big international markets developing, blocks being formed in Europe, Asia and here on the North American continent. If we want to be successful and competitive we must have a highly specialized and well trained labour force. Given the fact that 70 per cent to 75 per cent of Canadian companies are small-sized businesses, which create at least 80 per cent of our jobs, and that those businesses for the most part hire five employees or less, we cannot expect them to have in-house training programs. We have to develop such programs.

• (1715)

So, we hope the federal, provincial and territorial governments, the private sector and volunteer organizations will join us in promoting literacy. It is important. Another tragedy in today's society is all those people who still have trouble reading and writing.

We have to convince our young people that they belong in our society, that they will have a well-deserved place in our society once their training or studies are over. But once they realize that we have to make sure there is a place for them, or they will quit school out of frustration.

I want to touch upon an issue not directly related to youth but which the Minister of Employment and Immigration raised. It is about POWA, a program for older workers. Think about how 55-year-old people, even those who are working, must feel today. With our economy in a state of crisis and our young people having trouble finding jobs, can you imagine how a 55-year-old worker who has just lost his or her job might feel? When a business closes its long-time employees are in a precarious situation. Their job prospects are practically non-existent.

The Minister of Employment has said that the government can no longer afford to pay people to stay home; we need working people in Canada.

I agree with the minister. However, where are the jobs for these people? Where are the training programs to help them retrain and find jobs? If we cannot give them jobs or afford to retrain them, we should at least have the decency to give them enough to live on and raise their families. Many people at 55 still have children in school or at university. They still have a mortgage to pay. In my riding a lot of constituents—I have tabled petitions with 5,000 names on them and I could have a bundle more—a lot of people are asking the government to amend these regulations. There has to be a provision allowing a business with less than 100 employees to take part in POWA.

After several years I still have not figured out the spirit of these regulations. The only reason I can think of is that they want to reduce the benefits the federal and provincial governments give to older workers. But then, if 70 per cent to 75 per cent of Canadian companies are small businesses with less than 100 employees, how can you have regulations that apply only to businesses with 100 employees or more? What happens? In most cases, in urban areas such as Montreal, Toronto, Winnipeg, Vancouver and Calgary, any city with over 500,000 people, this special provision applies and when a business with 100 employes or more closes workers can receive POWA benefits.

It is all right for the government to say it does not want to pay people to stay at home, that it wants productive citizens. I agree, but do we have jobs for these people? Do we have training programs for them? The answer is no to both questions. Once their UI benefits run out, not to mention that the number of weeks of benefits has been reduced, the unemployed are destitute. In most cases—and that is the tragedy—those people do not even quality for social assistance benefits because all their life they saved money, they worked long hours to manage to buy a house and put their children through school. Now they are penalized because after they lose their job, once their benefit entitlement period is over, they have to sell their house and lose everything they acquired from 20 to 30 years of work and sacrifice because they are not entitled to any benefit, not even UI

benifits. That is the tragedy we are in with this government's policies.

• (1720)

I hope the Minister of Employment and Immigration and his officials are listening and will amend POWA so that older workers can continue to raise their children and keep them in school, by giving some allowance to those victims of this government's economic policies.

[*English*]

Massive unemployment, low-paying jobs, drugs, youth gangs, violence and a high drop-out rate are the problems faced by youth today. Youth are facing an unfortunate and vicious circle. They cannot find a job without experience and they cannot get experience if they do not have a job. That is the tragedy.

For the record I want to quote an article from *The Globe and Mail* of January 14, 1993: "The under-25 casualty: Young Canadians are graduating from university and entering the job market only to encounter dead ends and detours. Rough road ahead for unemployed youth".

That is the situation we have today. When we talk about education it is easy to say that because it is a provincial jurisdiction we have nothing to say. In the meantime, we see what is happening.

If the drop-out rate is very high it is because our educational system is not working. It is because young people see their brothers, sisters, cousins and neighbours finishing school, they work very hard to get through college or university, however once they are out there looking for a job they cannot find anything. They are so discouraged by that so they say: "Why should we do the same thing? Why should we continue to stay in school when after so many years of sacrifice they do not want us out there, there is nothing for us?"

That is the tragedy. We have to address that because we are losing a generation. We will lose a total generation. It is very nice to debate about free trade with the United States, and free trade with the United States, Canada and Mexico, but what are we offering those young people? What is the future for them?

The government says: "Oh yes, with free trade we are going to have jobs". So far we have only lost jobs and more and more people are discouraged.

I remember during the constitution debate a young girl came to my office. She said: "Mr. Gagliano, you are a wonderful member. You talk about Canada, my Canada and I love Canada. But how do you want me to continue to believe in this Canada when I cannot find a job?"

If we want our young people to be proud of this country like we are, we ought to give them hope. They have to have hope for the future. The only way to have hope for the future is to make sure that when they finish school there is a job for them.

Make sure that in getting an education they also receive the necessary training and experience. Then once they finish not only will they get a diploma for their academic studies, but they will also be ready to face the working market, to face the competition. Make sure they are the best trained. Once our young generation is well trained, then and only then can we face the world. Then and only then can we have free trade with any other country. If we have the best generation, the best educated young people in the world, we can face anybody and be competitive.

• (1725)

However, if we continue with the same policies that have been followed for the past nine years there is no hope for our young people. No matter if a free trade agreement is signed, our young people will not find jobs. We will have to reverse this course, otherwise it will be tragic.

Ms. Mary Clancy (Halifax): May I say, Mr. Speaker, how nice it is to have you presiding in the Chair this afternoon.

It is a pleasure for me to speak on this motion of my esteemed colleague from Haldimand—Norfolk. This resolution is one that is very close to my heart because in my riding of Halifax there are five universities and a number of other post-secondary institutions. Of course because Halifax is a large city, at least a large city by Atlantic standards, there is a large population of young people.

Today those young people do not have the kind of hopes and the kind of dreams that I suggest young people had 25 years ago, the kind of hopes and dreams that I was able to have when I was their age. That is because life is so difficult, because the economy is so depressed and because sadly their government—and in Nova Scotia that is both provincial and federal—appears not to have a plan in mind for them.

This resolution states:

> That this House condemn the government for policies regarding jobs and job creation, post-secondary education and job training and retraining that are having the effect of robbing a whole generation of young Canadians of their legitimate aspirations.

Those are very harsh words. Normally we try to avoid apportioning blame in the general debates in this House. However, every one of us in this House has a very special responsibility to young people, to the youth of this country. Almost anything that comes to mind to talk about that special responsibility could be regarded as a cliché. Except when things are essentially true they transcend the realm of cliché and bear repeating because of their essential veracity.

One of those truisms is that the youth of our country are our future. They are our hope and they are also our salvation. The mistakes of each generation are not necessarily visited upon the next. The things one generation has done wrong can frequently be corrected by the next generation.

However, if we do not provide the atmosphere for that next generation to thrive, for that next generation to plan and for that next generation to dream, then we are not going to improve. We are not going to have a better society. We are not going to see the kind of progress that we have all dreamed of for this country, for our children and for future generations.

Canada's youth are caught in a set of all-pervasive problems. I refer now to the report of the Liberal Party's joint Senate and Commons committee on youth. Our youth are disadvantaged today in two ways: They are buffeted by high unemployment flowing from the current economic recession and they are severely hampered by the continued failure of the federal government to create a better social and economic climate for them.

The committee found that youth unemployment is linked to several factors. The first is technical innovation. The second is that low-paying jobs, which are normally entry level positions, are being phased out in many sectors, meaning that market demands can be met by fewer workers but at the same time nothing is put in place to take the place of those entry level jobs. Third are the pressures of international competition.

• (1730)

What these three factors say is that we are heading into an increasingly globalized economy utterly unprepared. We are unprepared as a country and we are particularly unprepared as a work force. We are most dangerously unprepared *vis-a-vis* our youth work force.

What do we do? Effectively, and it is an expression my mother used to use and it is called "cutting off your nose to spite your face".

Mr. Kilgour: Mine too.

Ms. Clancy: East or west, mothers have the same wisdom.

Young people today want nothing more when they finish their education than to get out into the work force and contribute. All of us here, think of it, just think back and remember what it was like when you knew you had your first job, whether it was a summer job when you were in school or whether it was your first job when you finished your education. Remember what that excitement was like. Remember the anticipation. Remember how you felt, that finally you were entering into that very special world of the adult even if you were, as I was, 16 years old and going to work as an errand girl at the local hospital where I think I was paid $32.50 a week.

There was the dignity of employment and the joy of knowing that you were earning money and making a contribution. You were paying taxes; 16 years old and I was going to get to file an income tax return. I very quickly got over the joy of that particular part of the equation.

I can see by the smiles on all sides of the House that we all remember that. I know equally that we all, every one of us on all sides of the House, want to see that joy reflected on the faces of young people from coast to coast to coast. That is the tragedy.

Here we are in this magnificent, incredible country, with all the things it has to offer, and we are looking at a youth unemployment rate unprecedented in the annals of this country. It is just not good enough. It is not good enough from each and every one of us. It means that each and every one of us has failed. We have failed because we are not handing on to our young people the kind of society, the kind of marketplace, and the kind of opportunity that they deserve. We are not handing on to

them the Canadian legacy that was handed on to us. It is not fair and it is not right.

Shortcomings in government action to deal with these problems have translated into more than 1.1 million Canadians under the age of 18 living in poverty. Imagine that that can be said of Canada in 1993. What a tragedy. What a horror. What a disgrace.

Poverty is not simply an economic problem nor does it simply affect the poor. Employment provides people with a sense of belonging in a community. The fact that people are employed and can make the contribution I referred to earlier has a ripple effect, a spin-off effect in communities across this country that is almost beyond computing. When you are employed, when you are enjoying the fruits of your labours, then you want to make a further contribution to your community. That has been the tradition in Canada.

The employed person, the person who feels that at the very least he or she is making that kind of contribution and supporting himself or herself also wants to make a contribution to the community in other ways, thus making the over-all community a better place for us all.

• (1735)

Statistics Canada reports that between 1986 and the year 2000 the proportion of the work force requiring high skill levels, which means more than 12 years of education and training, will increase from 45 per cent to 64 per cent. But the proportion of young Canadians acquiring such high skills is declining. Our high school dropout rate is a national disgrace. One in three young people drop out of school before gaining the training and skills increasingly required in a knowledge-based society. Here we are, coming into what is known as the age of communication and the age of information, and one in three of our young people drop out of school before they gain the skills necessary.

Children from single parent families and families of low occupational status are streaming into the basic rather than the advanced high school programs. That is the antithesis of the Canadian tradition.

I look at my own family. I look back at my grandfather who, I believe, went to grade 6. I cannot remember exactly but it certainly was not more than junior high school. He eventually became the president of the Mining Institute of America and one of the foremost mining engineers in Canada. His children all went to university, and God knows his grandchild ended up in the House of Commons.

That is a tradition in Nova Scotia. The children of fishermen, the children of coal miners and steel workers, the children of CN workers and dock workers, went to university because in the Celtic tradition, the Scottish tradition, whatever, education was the most desired goal. The idea that because your father worked in a manual labour job would somehow preclude you from going on to university was nonsensical. It was just not something that was believed in. That is the Canadian tradition.

As I say, I know it from the Atlantic provinces' aspect, but it is the same in Alberta and Ontario and Quebec. It is the same for all of us, we know that. You look at the statistics here in Canada today and the children of dock workers and coal miners and manual labourers are not going into advanced level because they are not being streamed that way.

I do not think that those children are any less gifted. In the long run they are probably more gifted because of the exposure they have had to other educational areas in our society. But they are not going into the streams that will lead them to higher education and higher skills training. This must be changed. We have to focus our goals and targets as a country on education.

Another thing, and supposing the brickbats come from everywhere, we have to get over our constitutional preoccupation with education being a provincial matter. We have to look at education in the broader sense and see that only by co-operation among federal, provincial and municipal governments are we going to solve this kind of problem.

In a speech entitled "Governing in the 1990s" my leader, the member for Beauséjour, stated that he would start a national apprenticeship training program to keep young people in school, and help their transition into the work force. That, Mr. Speaker, is one of the areas in which we need to see action as soon as possible.

The transition from school to the work force is probably the hardest transition that young people are going to have to make. There is a young man working in my office here in Ottawa. He is a volunteer, he is a university student, he comes from Halifax, and he goes under the wonderful Irish name of John-Paul Coady. He spent his March break last week back home in my riding looking for a summer job, working every day to ensure that he would have employment this summer to help him go back to school in the fall.

It is not true that the bulk of our young people are out skiing or basking in the sunshine. They are actively looking for jobs but they are looking for jobs that are not there. That is the tragedy.

• (1740)

In my province of Nova Scotia, youth unemployment between the ages of 15 and 24 is at 21.7 per cent. Among the males age 15 to 24 it is at 24.2 per cent. Among the females in the same age group it is at 19.2 per cent. Those figures are tragic. They are tragic and they are unacceptable. We cannot continue to say that we are successful as a society and as a nation while figures like that are allowed to exist.

Other things that we can do? The Canada Student Loans Program must be reviewed to explore other options for financing access to education.

Currently before the House of Commons we have Bill C-76, an act that would remove the six-month interest free grace period after graduation for students to pay back student loans. For students who cannot even find a job, the thought that they are going to be in difficulty over the pay back of their loans, without that grace period which most of us who had the benefit of student loans had, is hitting people when they are already down.

Our young people deserve better than that from their federal government. It is deplorable behaviour in these economic times. It adds insult to injury, especially when the government has also seen fit to continue with this 3 per cent administrative tax on student loans. We are not exactly being very kind to our young people.

Research and development leading to new products in advanced materials, telecommunications and environmental technologies will radically transform the foundations upon which our national economy and those of other nations exist.

Our ability to maintain a high standard of living depends in great part on our ability to compete and export. Young people must become better trained. They have to learn more about computers. They have to learn more about science and technology if they are going to secure good jobs in the future. There must be a partnership between the federal government and the provincial governments with all Canadians to develop a concerted plan for young people in Canada.

As the joint committee of the House and Senate and the Liberal Party confirmed, young people want to be informed, involved and empowered in all dialogues affecting the future of the country. As I said before, it is a truism: they are our future. They must be given a greater voice. It is only fair.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, I have been looking forward to speaking on this motion introduced by the hon. member for Haldimand—Norfolk.

What we have been talking about today in the field of education is not only what goes on in a classroom. We are really talking about partnerships in a knowledged society if you will. It encompasses more than just a classroom. It spreads out its arms to encompass our industry, our technology, our science. In a word, it touches on every aspect of our society.

Education in my view is the key to social justice and economic progress. Only a society which values knowledge, innovation and skills can expect to compete in international trade with those nations that have placed highest priority on educating their young people.

Research and development leading to new products and advanced materials, telecommunications and environmental technologies will radically transform the foundations upon which national economies exist today. It is now commonplace that almost all factors of production can be mobilized anywhere in the world; Third World countries, north, south, east or west. Today and in the future the most important of these factors will be the quality of human resources. Education and skills are imperative for success in both a competitive domestic economy and in a global environment.

• (1745)

The challenge to Canadians will be to translate understanding of this fundamental principle into concerted and sustained action. There is much to be done.

Close to one-third of Canadian students do not finish secondary school. That is appalling. A shocking number of young Canadians are illiterate and this is unacceptable. Too few young people are competent in science and technology. Only one-third of students finish post-secondary education. Many of the remaining two-thirds of young people do not receive the skills training necessary

to compete in a rapidly changing economy, indeed, in a rapidly changing world.

Even though many youth do not plan on post-secondary schooling, the Canadian system of vocational and apprenticeship training is haphazard at best and in my view has achieved very poor results. University funding has been slipping at a time when many other nations have redoubled their efforts to provide high quality education for their young people. Why have we not been doing the same thing?

Action is urgently needed. That students traverse the educational system and emerge illiterate shocks Canadians. It shocks me and it should shock those here in this House today. In fact, for over a decade the Science Council and the Economic Council have warned that students were failing to reach minimum levels of literacy in reading, writing and the sciences.

How can this be? How can this be acceptable in this age of 1993? What is the price of illiteracy? The price of illiteracy is potential unemployment. In future labour markets it may be impossible for illiterate or marginally literate youth to make the transition to high skills levels demanded by technological advances in the most competitive firms.

There have been many warnings over the potential fate of any industrialized nation which does not adequately address the problem of illiteracy. As they say, the chickens are going to come home to roost unless we do something about it now.

It is troubling to me that the federal government has responded to public concern over illiteracy by decreasing support for those programs designed to address this problem. The argument that Canada may already be spending too much on education does not bear close scrutiny.

Based on a percentage of gross domestic product, the GDP alone, Canada spends the most on education of all the OECD countries. However, Canada's expenditures on education as a proportion of the GDP per capita are only somewhat higher than average among OECD members. Clearly, Canada needs to achieve better results with the money it does spend, as the hon. member from the other side has just said.

Without the literacy skills necessary to adequately prepare them for changing technologies, students will be locked out of those jobs which promise the greatest security for them and for their future families.

This is directly related to transformations in the new economy. As demands for productivity increase, not only executives and managers but workers on assembly lines will need to understand and work with shop floor technologies. The accelerating pace of innovation will require that workers read manuals, communicate through word processors and computers and demonstrate initiative within their changing milieu. The cheapest work force cannot be a substitute for the best educated or best trained work force. The best trained work force begins with the highest level of literacy.

The Liberal youth committee has recommended that the federal government, in concert with provincial governments, the private sector and voluntary associations commit now to eradicating illiteracy and innumeracy among Canadian youth.

• (1750)

[*Translation*]

In my opinion, science and technology are the key to the future. Our capacity to maintain a good standard of living is partly dependent on our ability to compete and export. Jobs requiring high skills and education will only be secure if Canadian companies can match or exceed the productivity of their competitors on a sustainable basis.

Canadians must understand that innovation, science and technology really are the keys to our future economic growth. First, young people must become familiar with science, technology and computers. Canada is near the bottom of the list of nations in terms of our students' performance in scientific subjects, and this is regrettable.

For Canada to prosper our young people must be able to adapt to change and must be able to upgrade their skills throughout their lives. A larger number of individuals must have a well-balanced education and must be able and willing to take risks and to practise entrepreneurship. Increasingly, our technologists, scientists, engineers and health professionals will require not only specialized skills but also expertise in human relations. This merging of management and economics with science and

technology will require our teaching institutions to come up with more balanced programs.

Canada will then be able to draw on its most precious resource, its people, to succeed in a knowledge-based economy. It will be able to rely on a number of innovative projects being implemented to improve teaching institutions and increase our efforts to promote interest in science and technology among our young people.

If we want our teachers and students to achieve better results internationally we must set ourselves the following national objectives: increase public awareness of the value of education, especially in mathematics and science, for the future of our children and the preservation of our standard of living; ease the transition from school to employment and encourage schools and their graduates to constantly upgrade their skills; encourage Canadian business to invest more in employee training.

Canada has not progressed as fast as its competitors. We are not as computer literate as many other countries. Consequently, we must teach our young people how important computers are for science and technology.

It is clear in the context of a global economy where the future is bleak for countries which export mostly bulk raw materials that science and technology are the keys to economic renewal.

[*English*]

I want to address technology and gender equality. Wherever we go today we are told time and time again that there must be equality among our citizens in Canada. It is of little importance whether they be male or female. They are the citizens, they are the future of our country. Canada must capitalize on the skill and potential of all its citizens. All of them.

• (1755)

However, women are still not broadly represented in most scientific, engineering and technical fields. Why? Are they dumber than the rest of us? Are we so smart that the women cannot compete?

Madam Speaker, you sit here now as the Deputy Speaker of this House of Commons. You sit here because you have the qualities needed to do the job. Female members of Parliament are here because they have earned their place in this House of Commons and their place in society as equals throughout our land.

Now I believe the federal government should take a leadership role in enhancing opportunities for women from early childhood through formal training in science and engineering technology and apprenticeship training.

I have four daughters. When they were born my wife and I decided that if they were capable they were going to go to university. Even if they had not gone to university we told them they were equal to anyone else in this nation that they had to grow according to their own abilities and that they and they alone were going to be the authors of their success.

It was important for them to know that it was not necessary to be a male to be a boss. It is not necessary to be male in order to get a good paying job. It is not necessary to be a male so that you can take your rightful place in society as an equal among equals.

In a report entitled "More Than Just Numbers" the Canadian Committee on Women in Engineering called for assistance for women pursuing careers in the sciences and developed initiatives to help increase the momentum. I am going to name a few.

First was to advocate an enhanced role for women in science, engineering and technology so that young women will be encouraged to pursue careers in these disciplines.

Second was to integrate the study of equality issues and gender stereotyping and gender differences into teacher training programs. Why is it that before all members of the police were male? We never had any firewomen. We had few female lawyers and few female doctors. Why? They had the same mental capabilities as their male counterparts, but we always said they had to stay in the home. Well that is not acceptable to me and it should not be acceptable to the people of Canada.

Third was to introduce young women to the female role models in science, engineering and technical occupations. We have a couple of astronauts in this country. I am very happy to say that the last one that went into space was a women.

Fourth was to develop programs to attract and retain women in engineering science and technology. Hire more women to teach science. Provide an environment that ensures the physical, the emotional and the psychological security of all students.

Finally, another initiative was to implement and enforce corporate policies that demonstrate a commitment to the hiring, promotion and career development of women professionals.

I see that my time is running a little bit short and there is so much that I wanted to say. I want to speak finally on a national education strategy.

• (1800)

While education is undoubtedly a provincial jurisdiction, there is no quarrel with that. It is a fact. It is in the British North America Act.

It also is a national problem in search of good ideas as to how it can be solved. Ideas do not have to have jurisdictional frontiers. It is when the ideas become solutions to be applied that the question of jurisdiction arises.

I believe that provincial governments and public services are perfectly capable of evolving and applying solutions to a national problem within their jurisdictions. So does this committee believe that interjurisdictional co-operation will happen and that it will help.

Canadians must immediately establish flexible, practical ways to improve educational outcomes at all levels from early childhood learning through elementary, secondary and post-secondary education.

I believe that standards and strategies to strengthen education can be worked out by consensus among provinces and the federal government. Bob Kennedy once said: "Some people look at things as they are and they say, why? I look at things as they could be and I say, why not?"

Why can we as Canadians not work together to make this a better place for our children? Why is it we have to have all this jurisdictional bickering? As if it matters where the ideas come from, as long as they are our ideas and as long as we can implement them for the betterment of our nation.

Canadians must establish this co-operation. There must be standards and strategies to strengthen education and they must be worked out, but they are going to require something. They are going to require facilitating linkages between all levels of the educational system. Business and labour and governments and social services and non-governmental organizations must be promoting improved media coverage of education issues and we must celebrate excellence.

We cannot isolate our best students and put them on one side as if they are the untouchables. We must put them there and say: "This is what you can be. Be the best that you can. There is room in Canada for excellence and there is room for you to help us do that".

We should be celebrating excellence in education and teaching by supporting existing award programs and by championing new awards where necessary. There must be an evaluation of research studies prepared by other organizations, building on valid work by undertaking the means through which we can accomplish these objectives.

I and my party recommend that the federal government form working partnerships with provincial and local governments, educational institutions, business and labour, to establish a national education strategy and goals for that calculated to strengthen educational outcomes for Canadian youth.

What is at stake here is no more and no less than the well-being of our nation. We cannot wait any longer. It is time for us to act and the time is now.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, I would like to agree with everything that my colleague from Welland has just said and would like to support strongly the motion by the youth critic of my party, the member for Haldimand—Norfolk.

If I may, I would like to speak a little bit in the time that is available about the agenda for youth, the report of the Liberal, Senate and House of Commons committee on youth of which I was very proud to be a participating member, as was the member for Welland I am quite certain. If anybody watching this would like a copy, they should contact any member of my caucus and we will do our best to provide them with one. It is an excellent document, one which I am proud to note does not require any net new spending on behalf of the Government of Canada.

• (1805)

If these recommendations which I might start with were to be implemented it would not add to the dreadful financial position which our young people now see ahead of them.

It cannot be said too often and I think Premier Wells put it well the other day when he said that in the mid-1970s each Canadian family's share of the national debt, the national mortgage was his phrase, was about $50,000. Today in 1993 the portion of the national debt is about $665,000 per Canadian family. How could any of us look a young person in the eye as members of Parliament, or MLAs, after what we have done to their financial futures over the last many years in this country in terms of impairing their futures in the sense of things that my friend was just speaking about?

I am extremely proud of the fact that my leader has said no to the purchase of 50 submarine-chasing helicopters, the price for which has already jumped from $4.4 billion to $5.8 billion. That money which of course we would have to borrow could be used for other things. One estimate I saw indicated there would be 75 times as many jobs created by spending that money on things other than on helicopters.

Let me summarize briefly what our youth report says. First, the federal government in concert with the provincial governments and the private sector voluntary associations commit to eradicating illiteracy and innumeracy among Canadian youth.

I think you have heard virtually all day today, Madam Speaker, percentages and comments about the state of innumeracy and illiteracy among Canadian youth at present.

Second, the federal government in concert with the provinces review innovative options for financing access to higher education for students in Canada, alternatives to be examined under a national grants program and altering the Canada Student Loans Program.

How tragic when there is a bright young woman or a young man who cannot afford to go to university today or go on to post-secondary education, who cannot afford to become a pastry chef or anything else they aspire to. I am told by a person who goes to the same church I do in Ottawa that there are 300 people registered in a cooking course he is helping to teach at Algonquin College. We have to get away from the notion that everybody has to become a teacher or a doctor or a lawyer. The vast majority of Canadians will not become one of those. For once we have to start doing something about all those other occupations which in fact one could argue form the cornerstone of the Canadian economy. A hard-rock miner for example has to get training. A carpenter has to get training.

I spoke to a man just last week who had come from Germany about 30 years ago as a carpenter. He built buildings and now I guess he owns a lot of buildings. That is the Canadian success story. We have to get away from the notion that it is only the teacher, the doctor, the lawyer who should get attention. All young people should get attention. I am glad to see that my friend from Welland agrees with that.

Third, the federal government should establish working partnerships with the provinces, business and labour to promote co-operative education programs. The federal government should embark on a public awareness campaign to educate the general public about the potential advantages of co-operative education.

I think this figure is correct. Germany now has about 400,000 apprenticeships each year. This entire great country of ours I am told has about 24,000. Who is going to do better over the long term, young people in Germany or young people in Canada? We have to start to do something very serious about apprenticeship programs. I am glad that my party is supportive of that and co-operative education as part of it.

• (1810)

Four, the federal government, together with provincial governments, business and labour create a national apprenticeship training program.

I think my comments would of course relate to this recommendation too.

Five, the federal government establish a Canadian environmental youth force in which young people could participate in environmental rehabilitation and educational projects across Canada.

I know a number of people who have gone out to plant trees in the summer where there are clear-cut forests. I am sure they do not do it in your province, Madam Speaker, but it is done in B.C. and Alberta. What better thing for a young person to do than to go out and plant trees.

At the same time I am told by a friend that the forestry department of the University of British Columbia is having enormous difficulty attracting students. Everybody wants to go into environmental programs. Somehow the word has got out that you should not study forestry, you have to go into something else. Better forestry practices are of course essential to the well-being of thousands and thousands of people who work in the forestry industry. I believe it is our biggest industry, as I am sure you know, Madam Speaker.

Six, the federal government should adopt a tax-based system to encourage work place training.

I think my colleague from Haldimand—Norfolk pointed out that the average firm in Canada trains seven hours a year per employee whereas other countries do—

Mr. Parent: Hundreds of hours.

Mr. Kilgour: My colleague from Welland says it is hundreds of hours.

Mr. Parent: At least two weeks of extra training.

Mr. Kilgour: Right.

Seven, the federal government develop a much more sophisticated system of tracking the technological needs of employers and matching them with the available work force in the community. Attention will be focused specifically on young people in this process.

We have heard in this House today from the minister, who should know, the figure of 300,000 jobs available in Canada for which we have no qualified applicants. Someone else mentioned 600,000. The point is that there are all kinds of jobs available even in this depression ravaged economy, or recession ravaged economy, but we cannot fill them because we do not have trained people to do them.

I might mention a speech I read recently. It pointed out that the largest employer now in the United States is McDonald's. I think it has about 500,000 employees, but I suppose they are mostly part-time. The problem though is that the future of the McJobs, as they are called, basically minimum wage jobs that so many young people and so many high school students feel they have to take and do take, is anything but certain. I am told that a few years from now when we go into a McDonald's, if you eat at McDonald's, there will not be a bright-faced young person there to get you a Big Mac with ketchup. You will push Big Mac, ketchup and whatever else you want and that object will come out automatically through an automatic system. How many young people's jobs will disappear if that happens?

One of the fastest growing companies in North America I am told is a company in Florida that is automating banks. Where are thousands and thousands of Canadian men and women who work in banks going to be if this continues apace and these jobs are basically eliminated as well?

I am told you can literally type a letter in Toronto or Ottawa and have the letter actually physically typed out in places like China. The implications of that kind of a global economy for people who are not trained are simply too awful to contemplate.

I am told that if you have teaching qualifications in Japan you can teach anywhere in those islands. You do not have to get provincial accreditation. You can go anywhere in the islands of Japan and teach and you will pull in the same salary for experience and so on.

I think I am running out of time so I will move on.

Eight, the status of the Science Council of Canada should be restored. One of the chief mandates of the Science Council should be to educate Canada's young people to the expanding role of science and technology in society and the work place.

In particular of course, as we heard, young women should be encouraged to take more science of the sciences. I read not long ago that 10 years after they start in basic science in post-secondary education that 90 per cent of the people working in science in Canada, at least as of a few years ago, are men. That is an awful statistic.

Mr. Parent: Condemnation.

Mr. Kilgour: Condemnation. Thank you.

Nine, to assist young people in rural communities the federal government examined programs such as the U.S. agricultural extension system to enable residents of rural communities to mobilize physical and human resources and create networks of self-help and economic development.

I think that is self-explanatory and self-justifying.

Ten, that the federal government form working partnerships with provincial and local governments, educational institutions, business and labour to establish national education strategy goals calculated to strengthen education outcomes for Canadian youth.

My friend spoke about that too. I think a week and a half ago there was an article pointing out—

Madam Deputy Speaker: Unfortunately, I must interrupt the hon. member. It being 6.15 o'clock p.m. it is my duty to inform the House that pursuant to Standing Order 81(17), proceedings on the motion have expired.

[*Translation*]

Pursuant to Standing Order 30(7), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CITIZENSHIP ACT

MEASURE TO AMEND

The House resumed from Friday, February 12, consideration of the motion of Mr. Allmand that Bill C-285, an act to amend the Citizenship Act (oath of allegiance) be read the second time and referred to a legislative committee in the Human Resources envelope.

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, I am pleased to rise in debate on this private member's bill, Bill C-285. I think it is a good bill. It makes a lot of sense. It is timely. It is relevant and it fits the times. It would change the Citizenship Act of this country. It reads:

> I swear (or affirm) that I will be faithful and bear true allegiance to Canada and the Constitution of Canada, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

New citizens can relate to that. They have come to a new country and a new home. They are pledging allegiance to their new land. It is a public and solemn commitment to Canada. It is something that new Canadians want to do. It is part of a contact, so to speak. In acquiring a new home, the new citizen is swearing allegiance to it. It is part of a bonding process.

One might ask what is wrong with the old oath. It reads: "I swear or affirm that I will be faithful and bear true allegiance to Her Majesty, Queen Elizabeth II, Queen of Canada, Her heirs and successors, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen".

What is wrong? With all due respect to the British parliamentary system, which is one of the best in the world, the Queen, Her family and the monarchy are not that relevant to most new Canadians. In fact, they are not that relevant to most Canadians who have lived here all their lives.

That may sound odd coming from someone like me who would preserve the monarchy, certainly its infrastructure, if not every tiny aspect of it. The fact is that the monarchy is a distant institution. Sure, it is an important part of our Constitution. It serves a distinct governmental role that I support but there is almost no emotional attachment.

Yes, our Queen is our head of state but she does not live here. She is British. She is from far away. She comes to Canada for visits only. It is hardly the stuff on which to build emotional attachments.

I really wish that this were not true because, to repeat, I support the monarchy. If we did not have one, we would have to invent one. If only the Queen were here, if only she were a Canadian living in Canada the year round, that would make a big difference. That is not going to happen yet I have no stomach for severing our connection to the monarchy.

Therefore, I think we ought to amend some of our laws and one of them should be the Citizenship Act as proposed by this private member's bill.

Think about it. Having a new Canadian swear an oath of allegiance to Canada is exactly what the new citizen wants. It is direct, meaningful and it expresses the solemn commitment the citizen wants to make to Canada. It will not be damaging to the monarchy. It can easily survive this change because its basic structure would remain well intact.

None of this is far fetched. The Department of the Secretary of State back in 1987 kicked around some ideas for a new wording of the oath. One suggestion was: "I swear or affirm that I will be a loyal citizen of Canada, obey its laws, abide by its Constitution and faithfully fulfil my other citizenship duties".

• (1820)

To be frank, the current requirement is confusing to many new citizens, especially those who do not have a British Commonwealth background. They come to Canada and want to pledge allegiance to the country of their choice but they are left confused by having to swear an oath to the Queen. They cannot really understand why they are required to swear an oath to the Queen who is a person who resides in another country. It must be a bit disorienting.

The member for Notre–Dame–de–Grâce told a story about a man who balked at taking the current oath. He felt that he had not chosen Britain but Canada. One man even took the government to court and argued, among other things, that the current act is unconstitutional. He lost. That aside, we can still do better.

It could be argued that the new citizens should learn our system of government and that would clear away the confusion and that is a valid point. Nevertheless, the new citizen wants to make his or her pledge directly to Canada. What better way is there than the one proposed by this private member's bill? I will repeat it:

> I swear (or affirm) that I will be faithful and bear true allegiance to Canada and the Constitution of Canada, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

This proposed change to the act is just one more step in the growing up of Canada. Since our colonial status we have come a long way. We have a bit of a way to go and this change to the Citizenship Act should help. Along the way we acquired a new flag, an anthem, we stopped appointing non–Canadians as governors general about 40 years ago and we abolished legal appeals to the British Privy Council about the same time. It seems strange but until then our Supreme Court of Canada was really not the supreme court. Canadian citizenship did not come along until the 1940s and we were not able to amend our Constitution without British approval until the early 1980s. We all remember the big fight over our patriation of the Constitution.

We have come a long way as a country. Changing the Citizenship Act helps fill in the new face of Canada.

The bill bears a similarity to one I introduced in Parliament a couple of years ago. That bill, aimed at changing the Parliament of Canada Act, would require parliamentarians to take an oath of allegiance to Canada and its Constitution. I do not think it is good enough for us to swear an oath to the Queen as the Constitution currently requires. It suits the constitutional niceties but there is a new pride in Canada and the people want their representatives to swear allegiance to Canada. The name Canada is important. They also want the oath to Canada because they know that from time to time people are elected to this House whose commitment to Canada is questionable. Voters want it on the record that every MP has taken an oath to Canada. Allegiance to the Queen is okay but adding an oath to our country firms up the commitment.

We have to take into account that there is a new spirit out there. It is a deep love for Canada and people want it reflected it in our laws, in our symbols and in our institutions. That is why I support this private member's bill and I hope that everyone in this House can do the same.

I believe that the bill should go to committee where possible improvements can be considered. Maybe room can be made in the bill for Canada, the Constitution and the Queen. In other words, it will have all three major elements. That may be seen as a compromise, but whatever the case this bill takes us in the right direction and it deserves our support.

Mr. Dave Worthy (Parliamentary Secretary to Minister of Public Works): Madam Speaker, very briefly, the bill that we are debating is Bill C–285, a private member's bill to change the Citizenship Act which affects the oath of allegiance.

With all the respect that I have for the hon. member for Notre–Dame–de–Grâce, I cannot support this bill.

• (1825)

I listened with interest though to the previous speaker. I think it will show the differences that we have in this country. It is one of the beautiful things about Canada that we do have the right to disagree on so many basic issues. Maybe it is my grey hair showing, but I have a terrible fondness for the history that the monarchy of this country represents. It goes beyond just symbolism. This is a country where our country and all of our traditions are based on the history of a monarchy.

By affirming the oath of citizenship, new Canadians participate in a formal ceremony that is rooted in tradition. They have explicit vows and implicit commitments. There are official witnesses in attendance. In most cases families and friends attend. They share in the pride of the occasion. There are pictures taken and afterwards there is usually a social ceremony. It is a solemn occasion that befits a ceremony uniting a new citizen with the country of Canada.

The oath underlines that Canadian citizenship is not to be entered into lightly. In a different context, the oath that the new citizens take is exactly the same oath that is taken by any public servant. Anybody who serves in our Armed Forces takes exactly the same oath. Anybody who is in the RCMP has to take exactly the same oath. It is the oath that I took when I took on the responsibility of being a member of Parliament in this country. It is the same oath that the senators who reside in the other place take before taking their seat. In fact, it is the identical oath, Madam Speaker, that you took as you became a member of Parliament for Canada.

There was a Commitment to Canada project. This project occurred last year on Canada's 125th anniversary. It was a project with Canadians who had never taken the oath, because most Canadians never take the oath, of allegiance. They were born here and they are not required to. Last year more than 1 million voluntarily, on their own, re-established their love and respect for the country by going through the oath-taking ceremony. It was taken symbolically, yes, but for most of them it was a very real and meaningful occasion.

New Canadians, after going through the swearing-in ceremony, describe it as being suitably impressive. During the official procedure they swear or affirm the oath of citizenship before a judge and in the presence of a uniformed member of the Royal Canadian Mounted Police. Of course they sing *O Canada* at the same time. They receive both a certificate and a commemorative document attesting to their new status as a Canadian citizen. An American, who became a Canadian citizen recently, called the ceremony:

> a lovely affair with just the right amount of pomp. There were 105 of us there, from 28 countries. And when, at the end, the judge read out the list of countries, I knew why I was there and why I was a Canadian. The catalogue of countries was a poem of people coming home to a new place. The old countries were still there, on the globe and in our lives, for most of us had not escaped from something; we had simply come to another place that let us be ourselves without having to melt like cheese in a rusty pot.

Canadians understand that swearing allegiance to the Queen of Canada is not the same as swearing or affirming allegiance to a foreign power.

• (1830)

There was a paper "Proud to be Canadian" which was circulated in the previous term, 1987-88 and a great many people responded to it. Interestingly enough, the subject of the Queen and the oath generated the largest public reaction, mostly through letters. On the consultations carried out afterwards based on this discussion paper, "Proud to be Canadian", the majority of the people spoken to indicated support for retaining the Queen in the oath of citizenship. In contrast, only a few people wanted the Queen excluded from the oath.

At that time, a major point was made that the Queen is what distinguishes us in many cases from becoming an American. Deletion would be denying the reality of our country's membership in the Commonwealth. The Queen is viewed as a symbol of unity and is part of our historical tie.

I received a copy of a letter which was addressed to the hon. member who is proposing this amendment. It is from the Canadian Citizenship Federation. In that letter an appeal is made to the member for Notre-Dame-de-Grâce that he desist from continuing his motion. I will quote: "We wish to take this opportunity to record in the strongest possible terms our unanimous objection to the proposal contained in Bill C-285, to amend the oath of allegiance as described in the current Citizenship Act".

The argument the people put forward in opposition to this amendment centre around the fact that the Queen is still a fundamental part of our system of government. Canada is a constitutional monarchy. The presence of the Queen in the person of the Governor General provides a balance in the organization of our government that is vital to its democratic operation. To remove reference to the Queen in the oath of allegiance would be to deny this fundamental truth.

If you are going to change the oath of loyalty to the Queen then in effect you really are going to be required to change the whole system. The people in the Canadian Citizenship Federation are very much opposed to that. They close their correspondence to the hon. member by again saying: "We implore you to withdraw your support of Bill C-285, an act to amend the Citizenship Act".

I would like to close by reading the oath all new Canadians make.

> I swear that I will be faithful and bear true allegiance to Her Majesty, Queen Elizabeth II, Queen of Canada, Her heirs and successors, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

Millions of Canadians have taken that oath, Madam Speaker. I have taken that oath, you have taken that oath. I will not support the amendment proposed by the hon. member.

Mr. Girve Fretz (Erie): Madam Speaker, I believe that we need to move with caution in making a change to the oath of citizenship and not move with the haste that the hon. member for Notre-Dame-de-Grâce suggests.

We are talking about making a change that in isolation may appear on the surface to be minor. Yet in reality, the change would have a far-reaching impact, an impact not only on the oath of citizenship but on oaths administered to members of the House, the other place, members of the Armed Forces and of course the Public Service.

An oath of allegiance to the monarch has been a staple of the Canadian naturalization or citizenship process since the year 1868. In the first years after Confederation anyone who wished to become naturalized as a British subject in Canada was required to take both an oath of residence and an oath of allegiance before the naturalization could become effective.

• (1835)

A person naturalized under this act was a British subject while in Canada but was not recognized as such outside Canada. When a husband acquired the status of a British subject, his wife became a British subject as well.

The Imperial Naturalization Act became effective January 1, 1915. Naturalization of aliens under this act was recognized throughout the world, bringing uniformity to the various naturalization acts in effect in the United Kingdom and in the Commonwealth. Again, an oath of allegiance to the monarch was sworn before naturalization could become effective.

As we are all aware, any person naturalized in Canada before January 1, 1947 became a British subject only and not a Canadian citizen.

The adoption of a distinctive Canadian Citizenship Act, the first of its kind in the British Commonwealth, came about as the result of increasing agitation during the 1930s and particularly during and immediately after World War II. After the adoption of the Statute of Westminster in 1931 there was a feeling that the people of Canada should have the official status of Canadian citizens and that there should be legislation covering it.

In 1946 the then Secretary of State, the Hon. Paul Martin, introduced a bill in the House which became the Canadian Citizenship Act effective January 1, 1947. After that date Canadian citizenship could be acquired by birth, prior naturalization or marriage and by British subjects who lived in Canada.

It is worth noting that this evolution did not affect the oath of allegiance. The oath was still required before Canadian citizenship could become effective.

After February 15, 1977 every qualified person applying for citizenship whether British, Irish or a member of a Commonwealth country, or indeed an alien, has had to take the oath of citizenship before acquiring Canadian citizenship and that is as it should be. The law applies equally with none of the previous preferential treatment for those legally domiciled in Canada from Britain, Ireland and Commonwealth countries.

Thus we have had oaths swearing allegiance to the Crown in Canada for more than 125 years. It is absolutely clear that the allegiance being sworn is to the Queen of Canada. Canada is a constitutional monarchy, as my colleague said who just spoke before me.

It will remain so until a constitutional amendment agreed to by the federal government and all the provincial governments provide otherwise. Our Constitution spells out very clearly that the Queen embodies a democratic system of Canadian government encompassing the House of Commons, the Senate and the Governor General.

Thus when people swear the oath of citizenship it is to a concept of Canada that we all share. The oath of citizenship is a part of that system. The wording reflects our constitutional monarchy and acknowledges our national heritage. To be a Canadian citizen is to accept and to recognize that legacy. This amendment would jettison that legacy.

As one hon. member commented when this bill was before the House previously, this country has a long tradition of continuous association with the institution of the monarchy, beginning as far back as 1535 when Jacques Cartier claimed this area on behalf of the French crown.

As Canadians we have adapted the symbols from other parliamentary systems to make a strong Canadian parliamentary system and a strong democracy. The oath of citizenship is part of that system.

• (1840)

I also believe that changes to the oath at this time would prove most divisive. All amendments to the Citizenship Act, including possible changes to the oath of allegiance, should be considered in a comprehensive manner when the government introduces a series of amendments to make the act more contemporary.

The change proposed by this bill could hardly come at a more inappropriate time. Thousands of Canadians, especially young Canadians, are about to take the oath as their reaffirmation of Canadian citizenship during National Citizenship Week, which is April 11 to 17. I will be attending one of those ceremonies in my riding and I am sure other hon. members will be doing the same.

During National Citizenship Week many members will participate in these citizenship ceremonies right across our country. These events will occur from coast to coast and in the far north as well. They will be in such varied locales as primary and secondary schools, citizenship courts, community halls and other gathering places.

In the schools, children will reaffirm their citizenship. In some instances, some of the teachers will take the oath of citizenship as well.

As many of us can attest, these ceremonies are joyous and touching occasions. For new Canadians, it is affirmation that they are accepted as equals and with the full responsibilities that come with citizenship in this great country of ours.

For those reaffirming their citizenship, it is confirmation that they are citizens, citizens of a nation that cherishes its heritage and yet builds for its future through the process of accepting people from around the world as Canadians and members of our wonderful society.

The board of the Canadian Citizenship Federation, which promotes the respect for and the recognition of Canadian symbols and traditions, believes the current oath of citizenship should remain unchanged.

In addition, the board members are of the unanimous position that not only the formality, but the dignity of the existing citizenship court ceremonies must be maintained and supported. It is their view that: "Without question, the solemnity and demeanour of the court proceedings creates a lasting feeling of respect and pride among new Canadian citizens."

In conclusion, let me restate my position. I oppose the amendment to change the current oath of citizenship because, first, the change is being made in isolation and not as part of a review of the entire Citizenship Act.

Second, I do not believe that something that is part of the heritage of every person who has become a Canadian citizen should be dismissed without serious public debate.

Third, as long as Canada remains a constitutional monarchy, I have severe and serious reservations about changing the oath of citizenship.

Mr. René Soetens (Ontario): Madam Speaker, I appreciate the opportunity to participate in this important debate concerning the heritage of Canada and in particular the change that is proposed.

I had the privilege of being an immigrant to Canada many years ago. I came to a country that I was not familiar with. I heard suggested earlier in the debate by another member that new citizens swear allegiance to the Queen, yet think that as new Canadians the Queen is really irrelevant to their coming to Canada.

That may be true. I am sure they did not come to Canada because Canada was headed by a Queen. They came to Canada because of the many things that Canada had to offer. But to suggest that they did not come here because the Queen was here, therefore we should remove the Queen from the oath, I must admit I have some great difficulty with that.

It goes a little further because many of the traditions that we as Canadians have known are subject to change. We understand that and some of those changes are very appropriate. I might suggest that all of us as Canadians at one point or another have had to swear an oath, and in the past it was necessary to swear an oath on a Bible. A Bible is not the appropriate book for all Canadians because there are Canadians who have other holy books that they would prefer to use. We understand that and we changed to accommodate particular needs.

• (1845)

Whether we swear allegiance to the Queen or not is really not an affront to any person's individual beliefs or persuasions in a religious sense. Those who wanted to come to Canada and investigated coming here did so knowing full well that we had a parliamentary system with a tremendous heritage relating back to the British parliamentary system, which is headed by the Queen.

We all know we are members of the British Commonwealth throughout the world, and again that Commonwealth is headed by the Queen.

For those new Canadians who come to Canada and take exception to it, if that is the only exception they ever take to Canada then they have truly come to a very great place. I do not think that is a reason for those of us who believe in this oath to change.

Very clearly the amendment that is before the House today pays attention only to one small portion of the Citizenship Act, which is a very broad piece of legislation that serves all Canadians. Merely changing the oath, which has far-reaching implications for Canadians, is really to tinker with a piece of legislation that should be dealt with in its entirety. Everything should be looked at if we are going to adjust things, and unfortunately this piece of legislation before us does not do so. It takes a very piecemeal approach.

I do not believe the issue of the Citizenship Act is dormant. The government is examining the current act and the most visible aspect of the scrutiny has been the consultations the Minister of Multiculturalism and Citizenship held with citizens and groups across Canada. This will lead to a reassessment of the act. That is probably good, and hopefully will lead to a new citizenship act. It would be far better to deal with the issue of the actual oath when we address the broader and bigger concerns associated with Canadian citizenship and the Citizenship Act.

Canadian citizenship implies certain responsibilities. We often hear about the rights of citizens but for citizens there are responsibilities to; it is much more than the oath new Canadians or Canadians in general who are reaffirming their citizenship proclaim when swearing allegiance. The citizenship ceremony is symbolic. It is the final step new Canadians take in accepting their new home and accepting and acknowledging the rights and responsibilities of their citizenship.

All members in this House have participated in citizenship courts as members of Parliament. We have been invited to bring greetings and welcome new Canadians in our ridings. Those new Canadians who have sworn that oath of allegiance do so with all the pride and vigour that they can muster, at least that is true in the ones I participated in and I suspect the same is true in the ones you have been in, Madam Speaker.

They are not concerned in that context of the oath. Their pride is in becoming Canadian citizens.

I must place my reservations on record about the amendment to the oath of allegiance within the Citizenship Act as proposed by the hon. member for Notre-Dame-de-Grâce. This amendment addresses the symbolic aspect of the Citizenship Act rather than the broader issues of the act itself and as such should be seen as truly a half measure.

I might give some examples of why I think it is simply addressing a symbolic issue and is a half measure.

Canada has parliamentary traditions, no doubt about that. We believe that at the head of the Government of Canada there is the Queen and representing the Queen in Canada is the Governor General. If, as one of the members had suggested, the Queen is not important in the swearing of allegiance, then because many Canadians do not relate to the Governor General are we suggesting that we should remove the Governor General from our governmental process? I do not think so. I certainly hope not.

• (1850)

Every time the Government of Canada or the provincial governments are in the courts they are acting on behalf of the Crown. Are we proposing that we eliminate the Crown from any discussions, and that we get away from those traditions? I certainly hope not.

I mentioned before that like all new Canadians I had the privilege of taking that oath of allegiance and swearing my allegiance to the Queen. I also swore it when I was elected to the municipal council many years ago in Ajax and similarly here as a member of Parliament. This oath permeates many things that we do in Canada. There was a great uproar recently in Ontario when the police removed the oath of allegiance. It was very clear that according to the tradition of the police department it wanted to retain its oath, its promise, and its swearing of allegiance to the Queen.

I should point out that when I was a little smaller than I am today, in my early years as a boy scout, I made a promise to do my duty first to God and then to the Queen. Are we proposing that boy scouts should no longer promise to do their duty to the Queen because we do not like the mention of the Queen in an oath? I certainly hope not.

What I am trying to say in those comments is that the aspect of the Queen permeates Canadian society. To simply remove her at the first step, which is our oath of allegiance, may ripple all the way down through the system. I, for one, am certainly not interested in doing that.

I say "I for one" because I am pleased that earlier the member for Cariboo—Chilcotin talked about a group of citizens, the Canadian Citizenship Federation, and he quoted from a letter that had been addressed to a member of Parliament. From that letter it was very clear that there are a lot of Canadians who are opposed to this bill before the House. I am pleased to see that some of the members of that association are watching this debate. I welcome them and hope they are finding it interesting and very educational to hear the different views on the subject matter.

The basic rights and fundamental freedoms of our citizens are clearly laid out in the Canadian Charter of Rights and Freedoms. I reiterate for hon. members that this government of which we are all members continues to pursue the fundamental values of Canadian citizenship that have a direct impact on our daily lives. Those values are equality and participation.

Within the Department of Multiculturalism and Citizenship there are several areas. There is the race relations and cross-cultural understanding branch to try to address concerns that are out there. Heritage cultures and language programs are being addressed. There are community support and participation programs, a multiculturalism secretariat, a human rights directorate, a voluntary action program, literacy and citizenship.

I did not leave citizenship to the last because it was least important but because all those previous items lead up to the most important aspect, and that is citizenship.

Madam Speaker, you are indicating that my time is running to an end. I do have several more comments but maybe I will have to return at some other point on this matter to discuss them. Very clearly, I believe we have enough activity in Canada to encourage citizenship. I believe the bill before us would not be conducive to strengthening citizenship in this country.

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, to begin I want to clearly lay on the record the fact that I will not support Bill C-285.

To explain why is simple: The intent of this bill is to remove all references to the Queen or the monarchy. I simply cannot accept that.

I want to be very specific about what the bill calls upon us to do in regard to the changing of the oath of allegiance. I will read into the record what this bill proposes to do. It says:

> Her Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada, enacts as follows:
>
> 1. The Schedule to the Citizenship Act is repealed and the following substituted therefor:
>
> Oath or Affirmation of Citizenship
>
> I swear (or affirm) that I will be faithful and bear true allegiance to Canada and the Constitution of Canada, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

• (1855)

That is what Bill C-285 proposes to do in taking away reference to the Queen and the monarchy. To put it into perspective I want to read into the record what the present citizenship oath states:

I swear (affirm) that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Queen of Canada, Her heirs and successors and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

I do not know what is to be gained by taking away reference to the Queen and the monarchy. We are a constitutional monarchy. We do affirm our allegiance to the Queen, as has been mentioned by just about every member in this House when taking our oath of office as members of Parliament. What is to be gained by this? I suggest absolutely nothing. But a whole lot can be lost, a lot of our history and a lot of our pride as Canadians.

One of the most touching things that happened to me as a member of Parliament was last fall when all members of this House and in fact all Canadian citizens were involved in the referendum debate. That was a gut-wrenching exercise to say the least, regardless of what side of that issue one was on. It was a very emotional debate. It was one in which every Canadian citizen had a chance to take part and many of them did. In fact, we had a huge voter turn out and Canadians had a chance to speak.

One of the things that touched me during that debate was something that happened in my own family. Until October 1992 my wife was an American citizen. She could not vote in the 1988 election. She could not help get me elected as a member of Parliament. In fact, I was a little bit concerned as to whether or not she would actually vote for me in 1988, so I was not too concerned at the time whether or not she had her Canadian citizenship.

All joking aside, it was a very proud moment for me when my wife wanted to become a Canadian citizen so that she could take part in that very worth-while debate in the fall of 1992. When she decided that she wanted to become a Canadian citizen she had absolutely no problem in taking the oath of citizenship because it is something that has been expected of all Canadians. Twenty-seven million Canadians appear to have no problem with that oath as it now exists.

One of the things that strikes me as a former teacher, as an educator in one of my previous lives, and I have had a few previous lives, is that as Canadians we do not have a real sense of the history of our country as citizens of other countries do. We have no sense of pride and nationhood as some countries have. In fact, that is one of our identity problems as a country.

There are only 27 million Canadians on the North American continent of over 300 million people. We are small in comparison to our American neighbours next door and the Mexicans. One of the things I have witnessed for many years is that the Americans have this intense sense of who they are and what they are. That has been missing in Canada.

• (1900)

Going back to my teaching days I always went to great lengths to try to instil in the minds of young Canadians what Canada was all about so that we would know ourselves. That is because we are infiltrated in Canada every single day, 365 days a year by, media messages, much of them spilling over from other countries, namely the United States of America.

I have often stated that in some ways Canadians are more familiar with the American anthem than they are with their own. We have a better understanding of their system of government than we do of our own system of government. We all have to take responsibility for not having promoted our side of the story over the years. We could have done more in that regard. I attempted to do that in my teaching days.

There is nothing wrong with a little nationalism. There is nothing wrong with a love of country and an understanding of how we evolved as a country. There is nothing wrong in understanding how the monarchy as it pertains to Britain and transplanted to Canada has evolved over the years, right from the days of the Magna Carta on up through. It is a very rich history. It is one that we can be very proud of as Canadians. I do not think it is one from which we want to dissociate ourselves.

Therefore I think Bill C-285 should not be considered by this House. However, let us put some of the numbers in perspective. I mentioned my own family situation and what my wife did last year in becoming a new Canadian. She is not alone in that. In fact last year more than one

million Canadians affirmed their citizenship as part of the 125th anniversary of Canadian Confederation.

Canada is the most sought after country in the world. What I mean by that is simply that it is the most desirable country to enter. Of course we have an ongoing debate as to how many people we should allow into Canada and how many the economy can sustain and how the country will grow, but that is a debate for another time.

The fact is that Canada is one of the most desirable countries in the world. Of those hundreds of thousands of people on this very day who wish to come to Canada, not a single person in my mind would have a problem in taking this oath of allegiance as it now stands.

Canada has been identified by the rest of the world as the number one best country in the world. There is none better. How did the rest of the world arrive at that conclusion? The world itself, the 162 countries that do belong to the United Nations, actually measured the well-being of their citizens. In doing that they measured and examined everything. They examined health care, they examined educational levels, access to universities and access to health care and support programs for seniors and disabled citizens. They even examined our charter of rights and the rights and freedoms we enjoy as Canadians. At the end of the day they concluded that Canada is indeed the best country in the entire world.

Well if we are good enough for the rest of the world, why can we not be good enough for ourselves? Why can we not just simply stand up and say: "Listen, what we have here is pretty good. Let us sustain it. Let us keep it". Why do we have to enter this debate to change something most of us readily accept?

The argument to change it is very shallow and does not deserve the merit and support of this House. Let us for once maintain the *status quo*. Let us maintain that which we consider to be truly Canadian. Therefore, I will not support Bill C-285. Madam Speaker, thank you very much for your understanding.

• (1905)

Ms. Barbara Greene (Don Valley North): Madam Speaker, I am very pleased to have the opportunity to speak on this particular private member's bill, but not because I am in favour of it.

I find that this bill lacks any kind of understanding of the true value of the Queen in our society. The Queen is our head of state and is personified in Canada through the Governor General's office and the Lieutenant Governors in each individual province. Through these people and through this institution a tremendous amount of value is given to this particular country. It is something that people when they become new citizens learn to recognize by taking that oath of citizenship.

I come from a riding in metropolitan Toronto that is about 60 per cent immigrant and in which the number of people of British descent is very much a minority. Only about 18,000 people in Don Valley North list British as their heritage.

The people in my riding strongly value the Queen. I have attended many different events in the Vietnamese community, in the Hungarian community and in other communities at which a lieutenant governor has been present. I have seen people such as Pauline McGibbon, Lincoln Alexander and Henry Jackman using their particular office to help new citizens. They help citizens of Canada from all backgrounds to recognize the importance of that particular office and of its value in our country. It has nothing to do with a particular person, the Queen, although I think that Queen Elizabeth has been a tremendous queen. It is head of state and it is a non-political head of state.

One can go to something like the Hungarian ball and hear Lieutenant Governor Hal Jackman talking about Canada and about the values that we share as Canadian citizens. Lincoln Alexander at a high school in a suburban area of Toronto used that office to explain in a non-political way the value of our country. I think what a tremendous asset it is that we have this institution. It makes a tremendous amount of sense to have new citizens recognize that.

Many of these new citizens are fleeing countries because of the the lack of solid institutions such as the monarchy which we have and value in Canada. Looking at Canada, one of our main assets is these strong institutions. We have a civil service in which the value of a high-quality civil service and lack of corruption are held in extremely high regard.

Similarly in our Parliament, members of Parliament who act in a fraudulent way or break laws are held in tremendous disregard. In this country we have values that are very strongly held. In other countries it is frequently found that there is a level of understanding of the importance of institutions such as the police, such as an impartial justice system a non-political system in which people can come before their various institutions

no matter what their particular political persuasion is and find they are treated as individuals.

That is something that is a tremendous asset in Canada and is undervalued by many Canadian citizens. They do not recognize this to the same degree others do. It is an institution that has changed as Canada has changed.

We see the various representatives of the Queen and the Queen herself as being very much in touch with many of the issues we experience in Canada. They are very much aware of things such as racism and the problems of new citizens coming into our society. These are not people who are out of touch.

• (1910)

It is not a stuffy monarchy, an institution that has not kept pace with the changes in Canada. This has been reviewed before the courts. I have with me today one of the decisions with respect to the oath of citizenship.

There was a case involving Charles C. Roach who claimed that he was entitled to be granted citizenship without having to take the oath of citizenship in its present form.

He too was confusing the institution of the Queen and of the monarchy with a person. I will just read part of what Mr. Justice Joyal ruled: "It is in my view quite proper for Parliament to require persons wishing to become Canadian citizens that they swear and affirm their loyalty to the head of state. That the head of state should be found in the person of Her Majesty the Queen might be a matter of debate but it is nevertheless as much a part of our constitutional framework as are provisions of our chapter.

Furthermore, the personified symbol of Her Majesty as head of state is not in terms of our long constitutional heritage a latter day invention of some imaginative or manipulative spinner of tales, but the the result of constantly evolving constitutional principles which are cloaked in constitutional conventions in the United Kingdom and partly codified in Canada in the Constitution Act, 1982.

The head of state as Her Majesty is so defined is the very embodiment of the freedoms and liberties which the appellant has inherited and which he now enjoys.

In a legal sense, the head of state legitimizes the laws of Canada which in concrete terms provide for the peace, the order and the good government of its citizens.

The argument raised by the appellant that Canada's head of state is the Queen, that she is Anglican is evidence to me of a dialectic which is bereft of any legal or constitutional content".

This particular individual who challenged this oath of citizenship was making the same mistake as the member who sponsored this bill has made. He is confusing the particular person with the institution. The judge has affirmed the whole constitutional value of this in his statements. The office is in fact symbolic of our institutions and I think that is very, very important.

He also says: "Similarly, if the appellant feels that it is against his conscience to make oaths to all but the Supreme Being or to the principles of truth, freedom, equality, justice and the rule of law, the statute does not impose an oath of allegiance. Indeed out of respect for individual conscience an affirmation of allegiance will do as well".

There is flexibility within the oath of citizenship. I for one and the vast majority of my constituents and as I say a very multicultural constituency, strongly believe that an oath of citizenship with the enunciation of the Queen as the head of state is very important and something that we all value as Canadians.

Mr. David Bjornson (Selkirk—Red River): Madam Speaker, I, like a number of my colleagues who have spoken before, do not feel that it is appropriate that I should be supporting this legislation.

Before I go into my prepared remarks which talk about the history of the oath, I would like to preface my comments with some off the cuff words on how, in listening to previous speakers, this debate has caught me a little bit off guard. I did not really think that I would have the emotional impact of what I have heard earlier. I say that with a lot of sincerity.

At a time in our country and even internationally when change keeps coming at us from various directions, and it is coming on us on a regular basis, we keep looking for what our roots are and where we could stabilize ourselves. We can do that within our own family unit. We can do that within our church and our beliefs. We can do that within our institutions.

By every stretch of the imagination this is a very significant institution we have in the House of Commons, the Government of Canada in general and our country. How we feel about ourselves and the oath brings with it a significant amount of history which I will get to later in my comments. It is very very relevant.

I would like to make a small comment and I think it is relevant in the fact that—

Madam Deputy Speaker: I do apologize. I will have to interrupt the hon. member. The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 93 the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

[*Translation*]

It being 7.15 p. m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7.15 p.m.

HOUSE OF COMMONS

Friday, March 19, 1993

The House met at 10 a.m.

Prayers

[*Translation*]

Madam Deputy Speaker: Pursuant to order made on Thursday, March 18, 1993, for the second reading of Bill C-97, an act respecting marine insurance, and the order for the second reading of Bill C-83, an act respecting the transportation of goods by water, are called jointly for a debate on the subject matter covered in both bills.

[*English*]

Mr. Danis: Madam Speaker, I would like to formally designate Monday, March 22 as the last allotted day for the supply period.

GOVERNMENT ORDERS

[*English*]

MARINE INSURANCE ACT

MEASURE TO ENACT

CARRIAGE OF GOODS BY WATER ACT

MEASURE TO ENACT

Hon. John McDermid (for the Minister of Transport) moved that Bill C-97, an act respecting marine insurance, and Bill C-83, an act respecting the transportation of goods by water, be read the second time and referred to the Standing Committee on Transport.

Madam Deputy Speaker: Debate is on the subject matter covered in both bills.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, it gives me great pleasure to be here this morning on behalf of the Minister of Transport.

I do not know why I in particular was asked to speak on behalf of the Minister of Transport. Possibly it is because he and I have certain physical features in common. I do not know but it is a great pleasure for me.

In beginning this debate on behalf of the government I would like to extend the minister's thanks to our colleagues on all sides of the House for the co-operation they have provided in making it possible for this somewhat unusual debate in which two bills are on the floor at the same time, Bill C-83 and Bill C-97. I know that the minister wished me to extend his appreciation to the opposition. I will be very careful to ensure that the water remains here today and does not fly around the room as it did the last time I rose in this Chamber.

• (1010)

We are here today to debate two bills at second reading. The two bills are somewhat interconnected, in that they deal with the establishment of clear rules for conduct of business for certain aspects of marine commerce dealing with liability and insurance. I would like to make a few comments on both bills, but I will take them one at a time.

First, I will deal with the Carriage of Goods by Water Act, Bill C-83. The purpose of Bill C-83, an act respecting the transportation of goods by water, is to modernize Canadian legislation concerned with the rules of liability and compensation for damage or loss of goods during carriage by water.

The primary goal of the Hague rules is to establish uniform conditions under which shipowners or carriers are liable for loss or damage to cargo in their care. The rules set specific provisions on this liability and establish an upper limit on any claim made by cargo owners or shippers.

The new act has been the subject of much dialogue. It will adopt amendments to the original basis of the bill, the Hague rules, by increasing the shipowners' limit of liability and replacing the gold standard with the International Monetary Fund's modern currency unit, the special drawing right.

These amendments, known as the Hague/Visby rules, increase the limit of liability from $500 to about $1,000 per package and introduce an alternative limit of about $3 per kilo, whichever is higher. Another important amendment establishes specific provisions on liability for containerized cargo.

The development of international law in this area did not stop with the 1968 Hague/Visby rules. In 1978 a new United Nations Convention on Carriage of Goods by Sea, known as the Hamburg rules, introduced further changes to the limits of liability, burden of proof and procedures for claims.

The modifications introduced in the Hamburg rules would increase the limits of liability by about 25 per cent and would abolish the formal list of defence in support of a provision that holds the carrier liable for any loss or damage unless it is proven the carrier followed all reasonable steps to avert the loss or damage.

Generally the Hamburg rules are seen as being more favourable to shippers than the preceding international regimes. I have to mention that our industry was not unanimously in favour of adopting the Hamburg rules. Shipowners and their insurers, as well as cargo insurers and the legal community support the implementation of the Hague/Visby rules. The shippers, on the other hand, much prefer the adoption of the Hamburg rules.

Canada is not alone in not yet having adopted the newest regime. To date, the Hamburg rules have been actually adopted by only some of our trading partners, representing only about 2 per cent of our present water-borne trade.

In the absence of a consensus by our industry, a compromise approach is proposed in Bill C-83 by incorporating the Hamburg rules in schedule II. The bill requires the Minister of Transport to conduct a review and report to Parliament within six years of the adoption of the Hague/Visby rules as to whether or not they should be replaced by the Hamburg rules.

This approach will allow Canada to implement new liability rules on a gradual basis, in step with acceptance and adoption of international conventions by our trading partners. It will also demonstrate Canada's intention to accept the Hamburg rules when it is proven that they will provide a viable basis for new cargo liability conditions for international trade.

In the intervening period Canada will pursue with our trading partners the possibility of a co-ordinated action that we hope will lead to wider acceptance of the Hamburg rules in international water-borne trade.

We are in a position today to replace a badly outdated liability regime with legislation that not only brings us up to date but also positions us well for the future.

I would like to turn briefly to the second piece of legislation before us, namely Bill C-97, an act respecting marine insurance.

At the present time there is actually no federal legislation that governs the contract of marine insurance. The 1992 federal Insurance Act is confined to laws governing the operations of insurance companies while the provinces have enacted laws governing the contract of insurance, including laws over marine insurance contracts.

In 1983 the Supreme Court of Canada had to review the issue of provincial and federal jurisdiction in marine insurance. In its judgment in the Triglav case, the Supreme Court recognized that marine insurance is an integral part of maritime law and that the contract of marine insurance was a maritime contract clearly within the jurisdiction of Parliament as part of navigation and shipping.

• (1015)

We have been advised by our legal experts that the provincial marine insurance act may, at least in part, be inoperative as a result of this judgment by the Supreme Court.

This case brought into question the applicable law to contracts of marine insurance. It has led all interested industry groups to a unanimous position urging the government to enact a federal marine insurance act and thereby resolve the uncertainty which now exists as to the scope and application of the provincial marine insurance acts.

Bill C-97 provides a positive response to the concerns of the marine insurance industry. The proposed legislation, like the existing provincial legislation, is based on the British Marine Insurance Act of 1906 at the urging of our industry. Despite what may seem to be its extreme age, the British act is actually the most developed and widely recognized law on marine insurance. It has served as a model for national legislation in many countries.

The proposed act establishes a statutory framework for the contractual relationship of the principal parties to a contract of marine insurance, namely the insurer and the insured and their respective rights and obligations arising under the contract and the principles of indemnity for losses covered by the contract.

Not proceeding with the proposed legislation would perpetuate the current situation marked by anomalies and uncertainty that may make the conduct of marine insurance in Canada unpredictable.

I have been advised that all sectors of our marine insurance industry have strongly expressed their desire that we spare no effort in adopting the proposed legislation to correct the present situation.

Finally, in concluding my remarks on these two pieces of legislation, I would like to once again extend the thanks of the government, and in particular the Minister of Transport, to hon. colleagues on the opposite side of this Chamber for their courtesy and co-operation. The Canadian industry will be the beneficiary of the expeditious treatment of these two important bills.

Mr. John Manley (Ottawa South): Madam Speaker, we will certainly take thanks whenever we can get it from the minister.

I suggest in response to my colleague from South Shore that the reason he was asked to speak on these bills has nothing to do with his shape at all. Rather it is not only the fact of his proclivity for spreading water around the Chamber when he speaks, but also the fact that as a maritimer, he is clearly learned in the intricacies of these two bills. That was a very concise and erudite explanation of a complex area of law. He is to be congratulated for it.

Really, there is not a great deal to add on these topics except to say I find the areas interesting as legal matters. We rarely deal with matters that might be described as private law in this Chamber. Most of the legislation we enact here is of a more broad public policy nature and the areas of private law normally fall to provincial jurisdiction.

This is an exception as a result of the fact that in C-83 we have the implementation of an international convention and in C-97, as a result of a Supreme Court of Canada decision, we are dealing with insurance law which would normally be in the provincial jurisdiction. However, because in this case it relates to matters of international maritime commerce, the court has found that federal jurisdiction is touched upon as well. Therefore C-97 in that case attempts to create an interlocking relationship of federal and provincial law that ensures that maritime insurance is covered by a statutory framework.

There have been a number of submissions made to the minister as well as to the opposition parties concerning these bills. An example that I brought with me this morning from The Canadian Board of Marine Underwriters, referring to both bills, says:

> Both bills are very important to the Canadian maritime industry, and will help to ensure the efficiency and competitiveness of Canadian importers, exporters and marine insurers alike. For that reason, all sectors of the maritime industry have supported the legislation.
>
> It is of some concern to us that since an election must be held in 1993, either or both bills might not receive passage in time to be enacted. We would therefore urge you to do your utmost to see that both bills receive priority attention in order that they may become law.

• (1020)

I know we all eagerly hope there will be an election in 1993 and so we share the concern of the industry that these bills be dealt with in an expeditious manner. I did hear this morning that perhaps the Minister of National Defence will be looking for a way to suspend the Constitution in order to avoid having an election this year. However, we will put that in the category of rumour and carry on with the assumption that we will be going to the polls this year.

In that case, the reference of these bills to the Standing Committee on Transport creates quite an extensive work-load for the transport committee. The minister just last week referred the report of the National Transportation Act Review Commission to that committee as well and asked us to report on that by the end of June.

I would suggest, particularly in light of the disagreement among sectors of the industry on Bill C-83 as to what set of rules ought to apply, that the committee will need to review many of the implications of Bill C-83 and hear witnesses from the industry on that matter.

For our part, I would like to say we will do everything we can to try to expedite those hearings so that the bill can be properly considered and brought back to the House as the first priority. Perhaps this will be prior to entering into the detailed consideration of the review commission report, which as I say is also before the committee.

In juggling these priorities I would like to say that from our point of view, and I will be interested to hear what the NDP has to say about it, these bills should come first. They do require hearings. They do require witnesses, particularly on Bill C-83. We will attempt to have them back to the House as quickly as possible.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I am pleased to rise to speak to the two bills, Bill C-83, an act respecting the transportation of goods by water, and Bill C-97, an act respecting marine insurance.

I indicate right at the outset that we support these two measures, which basically are bringing marine law and marine insurance law into the 1990s. We will do whatever we can to quickly proceed through committee.

In fact, one of the reasons we want the bills to go to transport committee is that there are people on that committee who have a sense of the maritime industry already. They are well positioned to know what is in these bills and to determine what aspects of them need to be looked at and then move them back to the House. I honestly do not expect much of a delay there.

In terms of the transportation of goods by water the government speaker took us on a European tour with respect to The Hague Visby rules and the Hamburg rules. The bill is designed to allow the Minister of Transport to bring those rules forward when the marine industry of Canada decides it is time.

If we look at the breakdown in terms of the value of Canadian water-borne trade, we will see that almost 60 per cent of our commerce moves under The Hague Visby rules, $11 billion or 19 per cent under The Hague rules and only 2 per cent under the Hamburg rules. So we have a long way to go in terms of matching what the industry is doing.

I have one suggestion which I intend to have raised in committee. Under Bill C-83 there is a provision which says that: "The Minister of Transport shall within six years after the coming into force of Part I"—which is The Hague Visby rules— "(a) consider whether The Hague Visby rules should be replaced by the Hamburg rules; and (b) cause a report setting out the results of that consideration to lay before the House of Parliament".

There are two points. The minister can do that at any time during those six years. I think it needs to be clear in the act that the six years run out on December 31, 1999.

In addition, we have just gone through one process mandated by law that required a formal review of the National Transportation Act. There were hundreds of thousands, if not millions of dollars spent to review that act and the report was tabled last week.

• (1025)

The Transportation Safety Board had the same kind of mechanism built into it but only after three years of the act being in place. Now we are embarked on the same kind of course. In effect they have set up a commission which will spend taxpayers' money to review an act that is only three years old. By the very testimony of the chairman of the board the act is working quite well, thank you very much.

What I am suggesting is that in addition to what is in this bill the matter should automatically be referred to the Standing Committee on Transport at that time. Whenever the minister decides it is time to evaluate whether or not we move from the Hague Visby rules to the Hamburg rules, he would table it in Parliament and it would then be automatically referred to the Standing Committee on Transport. It will review it and send back a recommendation to the House as to whether or not we should move forward with whatever the minister's recommendation may be.

He or she may decide it is still not time to move forward to the Hamburg rules. We could call witnesses from the industry and get a sense from them and then we could report back to Parliament with our own recommendation that may or may not be consistent with the minister's. What it does is save taxpayers money, quite frankly. It saves having to go outside for a commission. It

allows some protection for Parliament from a minister just going ahead and changing the rules, so to speak.

I think the committee should look at that as a possible change in approach as to how we deal with this legislation. In any event, that is Bill C-83, the transportation of goods by water.

In terms of the marine insurance, clearly we are updating Canadian law because of a court case that brought into question whether or not Canadian law applied as opposed to provincial law. I am sure that once the officials come before us at committee we will get some sense of the nuts and bolts of that. I will be honest I am not familiar with the intricacies of insurance, let alone marine insurance.

There are some interesting clauses in this bill. I just want to read them into the record because I think they will pique some people's interest in terms of the weirdness in some ways of legalese.

For example, clause 18 states: "Every contract by way of gaming or wagering is void". Does this mean that people sort of gamble away their ships? Is that what this means and therefore there is some protection there? That might be a question worth raising with the officials. Schedule III, construction of marine policies, has some interesting wording too.

We have had some experiences in this House with marine legislation where we were trying to bring it into the modern era, the modern language, eliminating flogging for example on board vessels which was in the Canada Shipping Act until about 1986 or 1987. We finally got rid of that antiquated method of keeping the seafarers in line.

An hon. member: Things do move slowly.

Mr. Angus: Things do move slowly, yes. Actually a lot of these bills that we are dealing with today are based on a 1924 law passed by Great Britain. We are just sort of fine-tuning it. It takes time in the House of Commons and the bowels of the bureaucracy to have these things worked through.

In fact, on Bill C-83 there was a white paper, a discussion paper in 1984 that led to the bill today. It took eight years, from 1984 to 1992, not for a philosophical bill, but for a nuts and bolts bill to work its way through the consultation which has to happen, the justice department in terms of legalese and what have you.

Back to some of the more interesting clauses in this schedule:

> "pirates" includes passengers on the insured ship who mutiny and persons who attack the ship from land;

That is interesting but what happens if it is a pirate from another ship? Is that covered elsewhere in the bill? It is an interesting matter to raise.

Another clause in the schedule states:

> "thieves" does not include persons who commit a clandestine theft or passengers, officers or members of the crew of the injured ship who commit a theft.

I am not quite sure I understand that kind of wording.

Here is an interesting one: In a marine policy a reference (b) to arrests, "and of kings, princes and people includes political or executive acts, but does not include riot or ordinary judicial process". Kings, princes and people, that is interesting.

• (1030)

Indeed, perils of the seas means fortuitous accidents or casualties of the seas but does not include ordinary action of the wind and waves.

Over the last while, we have seen the reality of the normal action of wind and waves with two major casualties, one on our coast and one on the coast of Great Britain. In a serious way, we need to take a look at the ramifications of that particular clause.

For those people who really find that legalese drives them crazy, here is the classic. This is under number (2) in a marine policy, reference (c): "To average unless general means a partial loss of the subject matter insured other than a general average loss but does not include particularly charges". Perhaps the government speaker might want to explain to the House what that particular clause means.

As I said at the outset, we support the two pieces of legislation. We agreed that they should be combined for the purpose of debate. We want the bills to go the transport committee because it will be in a position to give them speedier consideration.

I do not think we should wait another 10 years for these bills to come back. We should pass them at second reading now, get them into committee, back out of committee, given third reading and then on to the other place as quickly as we can. It helps the maritime industry do its job in an efficient and in a less expensive way.

Madam Deputy Speaker: Since one representative from each recognized party has spoken in debate, pursuant to order made Thursday, March 18, 1993, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the two bills now before the House.

Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: The first question is on Bill C-97. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport.

Madam Deputy Speaker: Is the House ready for the next question?

Some hon. members: Question.

Madam Deputy Speaker: The second question is on Bill C-83. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport.

Mr. Danis: Madam Speaker, on behalf of the government House leader, I would like to thank my two colleagues from the opposition who have co-operated in the passing of this bill.

[*Translation*]

Considering the time, Madam Speaker, I wonder whether there is unanimous consent for suspending the business of the House until 11 a.m.

[*English*]

SUSPENSION OF SITTING

Madam Deputy Speaker: Is there unanimous consent for the House to suspend until eleven o'clock?

Some hon. members: Agreed.

The sitting of the House was suspended at 10.35 a.m.

[*Translation*]

SITTING RESUMED

The House resumed at 11 a.m.

Madam Deputy Speaker: We shall now proceed to Statements by Members pursuant to Standing Order 31. The hon. member for La Prairie.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

EXTERNAL AFFAIRS

Mr. Fernand Jourdenais (La Prairie): Madam Speaker, I have a message here from the Greek community of my riding.

The Skopje regime insists on seeking international recognition of its multi-ethnic former Yugoslav republic under the name of Macedonia, while leaders of the various ethnic groups accuse this regime of ignoring the wishes of the majority of the population on the issue of the republic's name and of violations of their basic human rights.

I would like our government to inform our Parliament whether these accusations are being taken into account, considering that ethnic Albanians alone constitute more than one-third of the total population.

* * *

APPRENTICESHIP PROGRAMS

Mr. Jim Jordan (Leeds—Grenville): Madam Speaker, no nation in today's highly competitive world market will be able to bring about economic renewal without first having a well-trained and adaptable work force.

Such a work force comes about only when labour and management work together. Our ability to generate wealth and be successful in the global economy will depend on that.

The best way to build a highly skilled and highly relative work force is through a revised national apprenticeship program.

Canada's apprenticeship program has fallen into great disrepute. No longer is it seen as an integral part of our education system, but rather it is looked upon as a dead end by prospective students.

When is the government going to show some understanding and appreciation of the nation's lack of skilled tradesmen? When is the government going to announce a renewed, revitalized national apprenticeship program that will address the pressing current need in Canada for a well-trained work force? Canada can no longer afford a hit and miss approach to apprenticeship programs.

* * *

OLDMAN RIVER DAM

Mr. Jim Fulton (Skeena): Madam Speaker, on January 23, 1992 the Supreme Court of Canada ruled that Alberta requires a licence under the Navigable Waters Protection Act for the Oldman River dam. The Supreme Court upheld the March 13, 1990 Federal Court of Appeal ruling which quashed the required licence and ordered an environmental assessment and review of the dam.

The number one recommendation of the EARP report was to decommission the dam. The federal Ministers of Environment and Transport proved to be too wimpy to accept the fact that the dam is both environmentally and economically unsound. They rejected the number one recommendation but promised to implement the other 22.

On May 2, 1992 the Minister of Transport said of the 22 recommendations: "We will ensure that they are implemented". By November 19, 1992 not one recommendation had been implemented and the minister lamely promised: "We are going to see that these 22 recommendations are implemented".

Spring run-off is about to begin and the negative impacts will take effect.

Canadians should take note that the Conservatives refuse to obey the Supreme Court of Canada or stand up for their own promises. These ministers are the fat, wingless ducks of the Oldman River.

* * *

THE ECONOMY

Mr. Ken Atkinson (St. Catharines): Madam Speaker, one way that my community is trying to regain economic activity and diversify its economy is by helping local people prepare to start their own businesses.

The Brock University Centre for Entrepreneurship, Niagara College and the innovative New Enterprise Store are teaching potential entrepreneurs the techniques necessary to establish their own businesses. The Niagara Enterprise Agency is also being established to help identify potential entrepreneurs in the plants that are closing and provide them with the training necessary to commence their own businesses.

Training programs are also in place to help train people for the opportunities that will be created by these new businesses.

However, local entrepreneurs are all too often running into the same problem. This is an inability to obtain the necessary capital to put their ideas into effect. Many of these new businesses do not have the assets which they can mortgage in order to obtain the needed financing. Government programs like the Small Businesses Loans Act, the Small Business Financing Program and the Federal Business Development Bank make financing available, but we must do more.

• (1105)

Many businesses do not fit within established formulas used by the—

Madam Deputy Speaker: I am sorry, but the member's time has expired.

* * *

RACIAL DISCRIMINATION

Mr. Mac Harb (Ottawa Centre): Madam Speaker, November 21 is the International Day for the Elimination of Racial Discrimination.

Racism, anti-Semitism and racial discrimination are among the most destructive forces within any society. Our Charter of Rights and Freedoms prohibits discrimination based on religion, colour or place of origin. However, the charter cannot solve all of our societal problems.

To solve the social problem of racial and anti-Semitic discrimination and crime is to address the education system. School curricula at all levels must ensure that a component is taught in the classroom on the issue of race relations. From the very earliest stages through post-secondary education our school system must reflect our cultural mosaic.

I call on the government to establish a national depository of racial and anti-Semitic crimes in our society. Through such a depository, proper planning can be done to establish programs to respond to the challenges of racial harmony. We must act now to ensure that Canadians of all backgrounds continue to live and work in the finest nation on earth.

* * *

THIRD HOLLAND LANDING GUIDE TROOP

Mr. John E. Cole (York—Simcoe): Madam Speaker, I would like to take this opportunity today to congratulate the Third Holland Landing Guide Troop for taking a interest in the future of this country as it relates to the problems of pollution in Lake Simcoe.

These young ladies have learned that fishing and tourism are very important to the people of Georgina. They also understand that Lake Simcoe is in big trouble and these guides think pollution is "very wrong", to quote them directly.

They are concerned that if the province of Ontario puts a giant mega-dump within one mile of Lake Simcoe it will affect the spawning ground, which is very near the proposed dump site. This has the potential of making the pollution in Lake Simcoe that much worse.

These young guides do not want to get anywhere near or go swimming anywhere near a dump. They feel Lake Simcoe has enough problems already because of fertilizers, sewage and other pollution. The quality of the water is already at risk in Lake Simcoe. They recognize that most of the fish which are caught in Lake Simcoe have been put there as a result of being raised in a fish hatchery because the algae and the pollutants that are now in the lake have ruined many of the spawning areas—

Madam Deputy Speaker: I am sorry, but the member's time has expired.

THE ECONOMY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, the provincial budget tabled in Saskatchewan yesterday is tough because of a decade of PC government mismanagement and cuts to federal transfers. It demonstrates that a New Democrat government can commit to and achieve deficit reduction without doing it on the backs of those who are most in need.

Painful cuts were necessary and they were made, but they were tempered with compassion. This was not the situation in the provinces of Manitoba or Newfoundland, which also made budget announcements this week.

The slash and burn policies implemented by the Conservatives in Manitoba called for devastating cuts to 56 social service industries which are the front-line advocates for the poor and disenfranchised, those most affected by failed PC economic policies.

The Liberals in Newfoundland also decided that hiring investigators to crack down on social assistance abuse, cutting grants to volunteer organizations and cutting Public Service jobs without notice is their solution. That will not alleviate the serious social problems and chronic unemployment that are plaguing that province.

The budget tabled yesterday in Saskatchewan proves that New Democrats are serious about getting people back to work, containing as it does many job creation initiatives. It shows that fiscal responsibility and social responsibility—

Madam Deputy Speaker: The member's time has expired.

* * *

FLEXI-COIL LTD.

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, Saskatchewan has some world-class companies underpinned by world-class technology.

I would like to take this opportunity to congratulate one of those companies, Flexi-Coil Ltd. of Saskatoon. People from Regina do not often congratulate people in Saskatoon, but this is one of those strange times.

Flexi-Coil manufactures farm machinery and its order books are overflowing. In fact, employment at the company has just doubled in seven months from 430 to more than 800 right now.

What is driving the company's success? The answer is research and development and leading-edge technology that allows seeding operations in high moisture conditions with minimal soil disturbance.

Flexi-Coil has not bought the argument that Saskatchewan is too far from major markets. Instead, it is developing international markets and putting people to work.

* * *

THE ECONOMY

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, the Minister for Science and the Minister of State for Small Businesses and Tourism, in responding yesterday to a question, said that we have a surplus of trade with foreign countries of $9.5 billion.

I would like to remind the minister that trade includes goods, services and financial flows, and those numbers are disastrous. The current account deficit with foreign countries amounts to $30 billion for 1992. I wonder when the minister is going to come clean with the Canadian public and portray the real economic situation of the country. For example, we have a national debt of $650 billion, which amounts to 95 per cent of the gross domestic product, equivalent to Brazil and Venezuela.

* * *

• (1110)

OIL AND GAS INDUSTRY

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, oil and gas has faced a bad economic environment almost continuously since late 1985. Among western Canadians alone employment is down by about 35,000 jobs over the past eight years, partly because of our high dollar.

Even with gradual price recovery the number of jobs is still expected to decline by about 18 per cent by 1995. To put that in more human terms, another 11,700 families in western Canada will face the prospect of job losses.

We need to restore profitability and competitiveness to our domestic energy industry if it is to be rejuvenated.

The federal government has a role to play in the revitalization of the sector, which provides close to 100,000 direct jobs in Alberta alone. According to one estimate, 30,000 new jobs would be created in the west and throughout the Canadian economy for every billion dollars in new investment in our oil and gas industry.

With no change in the fiscal regime, industry investment this year might drop to $4.1 billion, or 85 per cent of forecast cash flow. The federal government has shown a commitment, thank goodness, to oil and gas in the Atlantic provinces. It could also stimulate the oil patch in the west.

* * *

ST. AUGUSTIN, QUEBEC

Mr. Charles A. Langlois (Manicouagan): Madam Speaker, Sunday, March 7, 1993 is a memorable and historic date for the residents of the village of St. Augustin on the lower north shore of the Gulf of St. Lawrence in the riding of Manicouagan, in Quebec.

On that date they elected their first municipal council. St. Augustin, the largest community of the lower north shore, is now a legal municipal entity with the powers and responsibilities administered by elected local residents.

I wish to pay tribute to all those who ran in the municipal election. Their involvement shows their interest in the development of their community.

I would also like to offer congratulations and best wishes for success to Mr. Harrisson Lavallée, the first elected mayor, and to Léo McKinnon, Andrew Fequet, Gerry Driscoll, Alfred Maurice, Jeoffrey Lessard and Eldon Gallant, all elected municipal councillors.

I want to assure them of my continued support and co-operation.

* * *

PRINCE EDWARD ISLAND

Mr. Joe McGuire (Egmont): Madam Speaker, the concept of the elimination of Prince Edward Island, and possibly other Atlantic provinces, from the Canadian federation is finding more support from Tory members of Parliament and from candidates for the Tory leadership.

S. O. 31

This morning I received a letter from a resident of Delta, British Columbia, expressing concern that this may be Tory policy. According to the letter the member for Delta, who just happens to be B.C. Tory caucus chair, on his March 12, 1993 cable TV program "On the line with MP Stan Wilbee" was asked by host Frank Buckles if P.E.I. was too small to be a province. The hon. member, who supports the leadership candidacy of the minister of defence, agreed and further advocated that the Atlantic provinces amalgamate to form one or maybe two provinces thereby saving the taxpayers in the rest of Canada a lot of money and helping to reduce the deficit.

The letter concludes with a request to ask the member for Delta and the defence minister if this is Tory policy.

I ask all Tory MPs, including the Prime Minister, if this is Tory policy or merely regional pandering passed off as deep economic thought as reborn Summerside friend, Garth Turner—

Madam Deputy Speaker: The member's time has expired.

* * *

YOUTH DAY

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, each year on March 21, as we welcome the arrival of spring, New Brunswick celebrates provincial Youth Day.

Youth Day in New Brunswick marks the province's recognition of youth and their contribution to society. It is a special day that represents hopes and new beginnings.

Youth Day is celebrated with activities provincially, including an environmental clean-up and awards for youth initiative recognition.

These awards are an initiative of the Youth Council of New Brunswick. Each year two awards are presented to individuals or organizations that have demonstrated leadership, initiative and dedication in working with youth.

A recipient of this year's award is Fredericton's own Characters Incorporated, nominated for its sense of what Canada is all about. There can be nothing more moving than the intense feelings of youth expressed in dance and song, and Characters Incorporated represents the best of what young New Brunswickers have to offer to Canada.

I would encourage the members of this House to join me in expressing appreciation for the inspiration and the contribution to leadership which our youth provide—

Madam Deputy Speaker: The member's time has expired.

* * *

VANCOUVER INTERNATIONAL AIRPORT

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, passengers using Vancouver International Airport will soon be paying a special tax of $5 to $15. This tax will be imposed on travellers by the Vancouver International Airport Authority in order to fund its capital construction plans.

This is a tax that could not come at a worse time for Canada's airline industry, but the villain here is not the local airport authority. Instead, New Democrats hold the Minister of Transport responsible.

We in this party warned Canadians that there would be hidden costs to the transfer of control of airports to local authorities. Sadly, we have once again been proven correct.

• (1115)

Successive Conservative transport ministers have imposed deregulation, reducing the government's role and responsibility in transport matters.

Canada is now reaping the bitter fruits of Tory free market philosophy with catastrophe in all transport modes. Now there is one more burden for the Canadian consumer: another tax on travel thanks to Tory transport policy. Regretfully it is one more reason for traffic to divert from Vancouver to Seattle in Bellingham, Washington.

* * *

[*Translation*]

CANADIAN MUNICIPALITIES

Mr. Eugène Bellemare (Carleton—Gloucester): Canadian municipalities are still trying to obtain a reversal of the 1992 freeze imposed by the government on the portion of municipal taxes applied to federal property.

During Question Period last Friday, I reminded the Minister of Public Works that the government was responsible for paying its fair share of municipal taxes on its property, the same as any ratepayer.

I also reminded the minister that the Ottawa–Carleton Regional Municipality had recently reassessed all property categories and that the federal government stood to gain as a result. He promised he would consider these matters and try to find an equitable solution.

I may remind the minister that the municipalities are still waiting to be consulted. Meanwhile, other ratepayers feel it is unfair they should have to make up the shortfall.

* * *

[*English*]

BRITISH COLUMBIA LEGISLATURE

Mr. Dave Worthy (Cariboo—Chilcotin): Madam Speaker, last night on television I viewed a scene from Victoria far uglier than any clear cut I have ever seen.

Hundreds of environmental rowdies violently stormed the British Columbia legislature with the sole purpose of imposing their radical and intolerant views on the people of B.C. These people are prepared to use and abuse the freedoms of democracy but are also prepared to abandon the democratic process when it no longer suits their narrow purpose.

These people are akin to terrorists. They started with spiking trees and sabotaging vehicles. Now they have resorted to the violent intimidation of elected representatives.

Yes, it was an ugly scene and as a British Columbian I was ashamed. It is a shame I am sure that is shared by all responsible environmentalists.

* * *

LEADER OF THE LIBERAL PARTY

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, the boss of a political party might from time to time think that some of his caucus are less than confident with their position and their party's future in Canada. They may be disenchanted. They may be called radical, fanatic, militant, rebellious. They may be seen to be upset, overturned, distressed, grieved, troubled, disconcerted, disturbed, worried, up–ended, capsized, set back, collapsed, conquered, confounded or defeated.

This week we saw a national leader detect troubles within his caucus, troubles that caused him alarm. Without much thought to their legitimate concern about the crumbling of their support base, standing on a platform that was a mile wide and an inch deep, the Leader of the Liberal Party labelled his flock of sheep as being nervous nellies and cry babies.

A great leader for a party. A great leader for the nation.

ORAL QUESTION PERIOD

[*English*]

TRADE

Hon. Herb Gray (Windsor West): Madam Speaker, I have a question for the Acting Prime Minister.

Yesterday, speaking in Kitchener, a Mexican diplomat confirmed the worst fears of Canadian workers. The diplomat said that although Mexico does have environmental laws it does not have the means to enforce them and that they would not be enforced until the year 2000. Meanwhile in Washington, Canadian NAFTA negotiators said they do not want a parallel accord on the environment to have any teeth.

How can Canada be calling for a toothless side deal on the environment when Mexico has said it does not intend to enforce its own environmental standards until the year 2000? How does that help our Canadian workers?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, yesterday and the day before the negotiators of the North American free trade agreement met in Washington to lay out the parameters for some parallel agreements to go with the NAFTA agreement.

It was reconfirmed yesterday that first, the NAFTA agreement will stand as is. It will not be amended. Second, all three countries agree that it will be implemented. The goal is to implement it on January 1, 1994.

Third, they discussed various positions regarding the environment, labour standards and what is sometimes referred to in Canada as snap-back provisions on commodities.

• (1120)

I can tell the hon. member that they had good meetings. The meetings were very fruitful. Many ideas were exchanged among the three countries.

They are now going back to their political masters in each country discuss the options and establish negotiating positions. That will take place over the next period of time.

The hon. member should not at this particular moment jump to the conclusions that he is jumping to. He always does. He takes the first thing that is said in negotiations when there is not even—

Madam Deputy Speaker: The hon. member for Windsor West.

Hon. Herb Gray (Windsor West): Madam Speaker, I have a supplementary question for the Acting Prime Minister.

I am quoting a Mexican diplomat who just spoke in Kitchener. He let the cat out of the bag and said that Mexico cannot and does not intend to enforce its environmental standards at least until the year 2000.

[*Translation*]

Madam Speaker, I quote what this Mexican diplomat said: "We already have standards, but we do not have the means to enforce them". He even added that some environmental measures would not come into effect before the year 2000.

I wonder why the government does not take this into account. Does the minister intend to ask our Canadian negotiators to demand that the environmental side agreement include a mechanism to ensure compliance with standards, to protect our Canadian workers?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, since the question was the same in French and English, the answer is the same.

[*English*]

Hon. Herb Gray (Windsor West): Madam Speaker, the minister has just said that his government does not care about the effect of non-enforcement by Mexico of its environmental standards on Canadian workers. Why is the government ready to see companies and jobs siphoned off to Mexico because of lax enforcement of its environmental standards?

Will the minister commit today that the government will not proceed with NAFTA legislation without a firm commitment from Mexico to a strong parallel accord on environmental standards, an accord which contains the means to enforce them? Will he make that commitment today?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, first of all, the hon. member stands up here and says that all these jobs and businesses are going to be siphoned off to Mexico.

At the same time in his own riding, Chrysler announced a half billion dollar upgrading of a facility there. If in fact all these businesses were going to flee to Mexico, then why would they be spending this tremendous amount of money reorganizing here in Canada to assure the jobs of Canadians? The hon. member is saying that.

Second, as far as protecting the environment is concerned, Canada takes a back seat to no one in protecting the environment. We have one of the finest environmental records in the world today, It is one we are extremely proud of. Our Minister of the Environment has done an extremely good job bringing in the green plan and leading our Canadian delegation to Brazil, where Canadians were praised by everyone for the positions taken on the environment in Canada.

The hon. member knows full well that Mexicans are not like Canadians, and Americans are not like Canadians. We are all different. The hon. member wants Mexicans to become Canadians. He cannot have it that way because it does not work that way.

* * *

THE ECONOMY

Hon. William Rompkey (Labrador): Madam Speaker, my question is also for the Acting Prime Minister.

Yesterday, two provinces had no choice but to introduce extremely severe budgets, again cutting provincial programs as a result of the down-loading of the debt by the Government of Canada. The Newfoundland minister of finance and the premier of Saskatchewan have both added their voices to a call for a national conference to resolve the debt crisis in this country.

Why does the government refuse to call such a conference? Why does it continue to allow the debt to fall on the shoulders of those Canadians who have the least capacity to pay?

Hon. John McDermid (Minister of State (Finance and Privatization): I am glad this question was raised. The provinces had a meeting with the Minister of Finance. The finance ministers met a year ago January in Quebec City, as a matter of fact. I had the privilege of being at that meeting. I can tell the hon. member that the Minister of Finance at that time urged all the provincial finance ministers to come to grips with their deficits, to come to grips with co-ordinating in a more reasonable fashion the budgets of the federal and provincial governments so that we would be going after the same things. He repeated that in January of this year with the finance ministers at a meeting in Ottawa.

• (1125)

All finance ministers, no matter what their political stripe, including Newfoundland's minister of finance to give him full credit, agreed that deficit reduction was the number one priority in this country. All finance ministers at that time agreed to tackle this major problem. I have nothing but praise for the ministers of finance in Saskatchewan and Newfoundland.

Now, as far as the off-loading argument is concerned, I want the hon. member to know that the average rate of growth to Newfoundland over the last nine years has been 7.4 per cent. It is the highest of any province in Canada. It is expected to approach $1.4 billion to Newfoundland in 1993-94. That is over 40 per cent of its budget.

Hon. William Rompkey (Labrador): Madam Speaker, the fact is that the transfer payments were reduced from what was expected. They may be increasing but they were reduced from what was expected, forcing the provinces to find moneys out of their own budgets.

If what the minister says is true, that the Minister of Finance is meeting all the finance ministers and agreeing that the debt crisis is the most important thing in the country, why does the government refuse to call a national conference as the finance ministers and premiers have called for? Why does it refuse to do that?

Hon. John McDermid (Minister of State (Finance and Privatization)): The Minister of Finance, as I have said, met as recently as January with the finance ministers to discuss the budgets of this year. That has taken place.

Now the budgets are coming out. There will be another meeting following the provincial budgets and the federal budget to see where we go from there. That takes place all the time and will continue to take place.

The hon. member makes it sound like these finance ministers do not get together. Having formerly sat on the treasury benches, he knows full well that—

Mr. Rompkey: I am just quoting them.

Mr. McDermid: I can say that the finance minister from Saskatchewan who called for that meeting was not at the January meeting. She was not the finance minister at the time so I understand why she is doing that. There will be another meeting called after the budgets have been delivered by the ministers of finance of this country. They are co-operating and the hon. member should be happy about that.

* * *

TRADE

Mr. Steven W. Langdon (Essex—Windsor): My question is on the subject of NAFTA negotiations. Yesterday, John Weekes, Canada's NAFTA negotiator, claimed that the United States does not properly understand how NAFTA in fact works. Import surges of low-priced Mexican products, he said, are covered under the existing deal and no side deal was needed.

My question for the Acting Prime Minister is this: Does the government not understand how weak the present NAFTA deal is on import surges since it requires full consultation with the other country and can only be used once against a given product?

Why does the government not understand what the United States government has come to see, that much tougher and faster moves must be taken against import surges to protect Canadian jobs?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, in the NAFTA as in the free trade agreement there are provisions to prevent the sudden surges or to cover the sudden surges of import products, especially in the fruit and vegetable area. That is the area where they are primarily used. They are the

snap-back provisions. They have worked in the past and will work in the future. That is what our negotiator has stated to the United States and Mexico.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I represent a constituency that produces many of those agricultural products which are supposed to benefit from the snap-back provisions. They have come into effect in every case where they have been used under the FTA at least six to seven weeks too late to do any good for Canadian farmers. I want to put a supplementary question to the government dealing with environmental enforcement since this area is one in which it has also failed.

• (1130)

Yesterday, as my colleague has indicated, a senior Mexican diplomatic official told a Kitchener audience that while Mexico had strong environmental standards, the country "has not yet the means to enforce them". This is the clearest admission yet by Mexico of what we have claimed all along, that environmental laws simply are not enforced in that country.

I ask why the government does not see that this lack of environmental enforcement dangerously threatens the Canadian record on environmental concerns.Why does—

Madam Deputy Speaker: I think the question has been put and we are getting into speeches.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I can say to the hon. member that Mexico is a developing country. Mexico does not have the wherewithal that we have in Canada and the United States, but we know it is getting better. It is working at it and it is trying.

We have a great opportunity, through an environmental commission that has been set up, to help Mexico with that very problem it has of policing environmental regulations. We are there to help. That is where Canada can add greatly to Mexico in environmental matters.

It is not a matter of bringing the big hammer on it, which the hon. member and the NDP want to do. That is not what we should be doing. We should be helping it with guidance and support in policing its environmental laws and that is what we will do.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the minister talks about policing and yet this commission which is being set up has absolutely no authority with respect to environmental enforcement. It is a cipher. It has no meaning.

[*Translation*]

And now for my supplementary. This week, Premier Bob Rae of Ontario attacked the Mexican government's record on human rights and democracy. He said that Amnesty International had reported instances of torture and the disappearance of 55 journalists.

Why does the government continue to support an agreement with Mexico?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): First of all to the preamble of the hon. member, I might say that if Mexico stopped trading with Canada because of one of our environmental laws, the NDP members would be the first on their feet saying that Mexicans are treading on the sovereignty of Canada. They would be the very first.

We do not believe that we need strict enforcement laws dealing with trade to deal with environmental matters. We believe that they can be accomplished in other ways, like we did with the United States on the acid rain treaty that we signed with them and many other examples. There are many other ways of doing it without using the big stick that the NDP would use, and it does not work.

Let me say this about a developing country. Certainly there are problems within developing countries. We see that around the world. We do not stop trading with them. We try to help them with their problems. As their economies grow and improve, so does the style within those countries. That will happen in Mexico.

We happen to think that Mexicans can produce and trade their way to a better way of life. The NDP wants to give Mexico hand-outs but keep it suppressed. That is not the way we do things.

[*Translation*]

SEXUAL HARASSMENT

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my question is directed to the Acting Prime Minister.

For many years, women working in the Canadian forces who had the courage to stand up and complain about sexual harassment were discharged without just cause.

Will the government have the integrity to set up an independent inquiry today that will make a thorough investigation of these reprisals?

• (1135)

[*English*]

Hon. Paul Dick (Minister of Supply and Services): Madam Speaker, there are 30,000 women involved in the Department of National Defence. The department has taken the initiative, as indicated by the minister yesterday, of doing a questionnaire of 5,600 people to make sure that there is zero tolerance for sexual harassment in the Armed Forces.

Yesterday the minister indicated the report will be made available in April, as soon as it is finished. The Department of National Defence is taking every step possible to make sure that zero tolerance for sexual harassment remains in the Armed Forces of Canada.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my supplementary question is also addressed to the Acting Prime Minister.

Today women are being forced out of the Armed Forces because they have complained of harassment. Nothing is being done to stop it. These women have come forward with great courage to stand up against a system that closes ranks to ostracize, punish and force them out.

Is there anybody on the government benches who will promise these women that not one more woman will be discharged from the Canadian Armed Forces while those who protect the harassers continue to rise in the ranks?

Hon. Paul Dick (Minister of Supply and Services): Madam Speaker, I think that the hon. member meant to say that no woman will be discharged from the Canadian Armed Forces because of her complaints regarding sexual harassment during this period of time until something is done to correct it.

I think that is a fair statement to make. I can say that the Armed Forces in Canada are trying to make sure that no sexual harassment goes on in the Armed Forces. If the member has indications of people who feel that they are being pushed out today, then please, make sure these cases are brought forward and they will be investigated thoroughly.

I happen to agree. There should be—

Mrs. Catterall: They have been brought forward for four years.

Mr. Dick: Oh, be quiet for a moment, Catterall. All you do is yap.

Madam Deputy Speaker: Order, please. We will check the "blues" see whether anything unparliamentary was said. I know that there was but I could not hear. If the hon. minister feels that he did say something unparliamentary, he should rise and withdraw right away.

Mr. Dick: Madam Speaker, I do not believe I said anything unparliamentary. If I did, I would certainly withdraw it.

Ms. Mary Clancy (Halifax): Madam Speaker, it is a delight to be in this House where chivalry lives.

I believe that there are people on the government benches who have zero tolerance for sexual harassment. I believe that.

Treasury Board policy for example calls for sanctions against sexual harassers. In the case of the Halifax public servants, which I have raised over seven times in this House, the report is done. Sexual harassment was found. Conciliation has been ordered for victims but no action has been taken by the Public Service management against the harassers.

Will the Acting Prime Minister or any minister on the other side of the House guarantee zero tolerance and see that appropriate action is taken against these men?

Hon. Marcel Danis (Minister of Labour): Madam Speaker, on behalf of the President of the Treasury Board, I would like to answer the question by my hon. friend.

She knows, and the Prime Minister has stated it on a number of occasions, what the policy of this government is concerning sexual harassment. It is one of zero tolerance.

I support that. In a certain time in my prior life, I was responsible for implementing sexual harassment guidelines at the University of Montreal. I know what it is and I support the policy. If my hon. friend has any particular case where she feels something has been done which is not fair, she should bring it to our attention.

I can tell my hon. friend because she speaks in generalities that if she has questions or cases, she can bring them to our attention and I will transmit them to the minister responsible for Treasury Board.

An hon. member: And it will be dealt with appropriately.

Ms. Mary Clancy (Halifax): Madam Speaker, I am delighted. The names are Ghislaine Jalbert and Heather Buchanan, those are the two people. There is a report. It is there, it is out. It is on the Treasury Board president's desk.

• (1140)

[*Translation*]

The two victims, who are public servants in Halifax, have been retaliated against for two years now. For two years, the three aggressors have boasted that they have not been punished. If the government is so devoted to fighting sexual harassment, what does the minister intend to do to ensure that these men are justly punished?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Madam Speaker, I think that the two ministers who spoke before honestly answered the questions raised by the member for Halifax and the member for Ottawa West and clearly stated that no form of sexual harassment would be tolerated.

My colleague mentions some very specific cases that have been referred to the President of the Treasury Board. When he is here, he can answer very clearly and precisely the questions on the cases referred to. But this week, I heard the Prime Minister and the defence minister repeat many times that the government, just like the opposition, does not want to tolerate any form of sexual harassment. However, it is the President of the Treasury Board who will answer questions on specific cases.

* * *

[*English*]

THE ECONOMY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, my question is for whomever is answering for the Minister of Finance today.

Yesterday we saw two tough budgets in Newfoundland and Saskatchewan and yet the federal government continues, and did so yesterday, to trivialize the impact of federal off-loading on the provinces.

The Newfoundland minister of finance said: "The decline in transfer payments has placed a heavy burden on the province's finances and added pressure on our credit rating". The minister of finance in Saskatchewan said: "By far the most serious threat to our budget plan is the federal government".

I ask the minister responding, who is telling the truth here, the federal government or the 10 provinces and the two territories?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Madam Speaker, the member from Saskatchewan and I this morning heard municipalities in Saskatchewan accusing the Government of Saskatchewan of off-loading the problem on to the municipalities.

I believe there is one taxpayer in Saskatchewan as there is in any other province. I think we should consider that the province of Saskatchewan followed exactly the example of this government when it decided that it had to deal with the deficit and debt of the province.

Everybody knows that Canadians agree with the way this government is working with the deficit and debt. They agree so much that the government in Saskatchewan, which is an NDP government, decided to do exactly the same thing.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, this is quite remarkable. If the minister had only looked at the budget yesterday he would have seen that in fact the budget is creating jobs in Saskatchewan and is arguing for full employment. It is a budget that is compassionate and is not hitting the hardest hit in this society as this government has traditionally done. It is a government which has controlled government spend-

ing and it is the only government in Canada which has actually reduced current expenditures.

Therefore this government does not need to lecture the Government of Saskatchewan on how to deal with its budget, thank you very much.

The minister of finance yesterday indicated that no one government can tackle it alone. "We need national solutions", she said. "We need co-operation, co-ordination and a new national agenda".

When will this government begin to work with the provinces instead of fighting against them? When will the government work with Canadians?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Madam Speaker, I do not know if I understand the meaning of the word "lecturing" in English. But in my view, I praised the Government of Saskatchewan for following the example of trying to control the deficit. However, the same Government of Saskatchewan did what we have not done so far. It has reduced by 2.8 per cent the transfers to the hospitals and school systems.

The Saskatchewan government considers that it has to manage the budget of Saskatchewan in a way that will control the deficit and debt.

Once again I praise the Government of Saskatchewan for doing exactly what this government has preached for eight years: control the deficit and the debt and you will control the economy of this country.

* * *

EMPLOYMENT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, my question is for the Minister of Employment and Immigration.

The minister will know that the unemployment situation on Cape Breton Island is truly devastating. There are thousands of fishermen who, because of the lack of fish stocks, will join the thousands already unemployed.

• (1145)

This situation is very serious. These fishermen have no income. They have no alternate employment. They have no means to feed their families in the months to come or pay what they owe on their boats. If the fishing industry is to recover there has to be fishermen to fish. What is the government going to do for these fishermen?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, the hon. member points to a very serious situation in Cape Breton and other parts of the maritime provinces.

As the hon. member may know most of the fishermen and plant workers who will be affected by the reduced quotas announced by the minister of fisheries are currently receiving unemployment insurance, a good part of them.

The minister of fisheries and myself are working right now on a solution to the plight of those unemployed people. I expect within the next few weeks we should be able to apprise those communities of the initiatives we are going to put in place to try to help them out during these really tough times.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, I appreciate that perhaps the minister is well meaning but I do not think he truly realizes the seriousness of the situation.

These people are in a difficult position. They really do not know what they are going to do. They do not know how they are going to look after their families. They do not know how they are going to look after the payments on their vessels.

The unemployment rate in Cape Breton right now, according to Statistics Canada's own figures, is 28.5 per cent. That is a national disgrace. Surely the minister will admit that.

Will he please speed up the process? Will he please do something for the people who really need the government's help?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, the record is an example of the attention we give to these people. I think the hon. member will acknowledge that when, for example, we

introduced the Atlantic Fisheries Adjustment Program it was oriented toward trying to help these people.

We understand the plight and situation of these fishermen and plant workers who have no income at all because of the reduced quota.

As I indicated we are going to do our share at the federal level. We are speaking with the provincial government, because it is the responsibility of both levels of government. I expect in the next few weeks, as I said, to be able to apprise those people of the measures we are proposing to help them help themselves during these tough times.

* * *

EMPLOYMENT

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, in the minds of the Prime Minister and the Minister of Finance the recession is over. Yet for the approximately 40,000 unemployed in Hamilton the pain of the recession continues. There are 5,000 more people unemployed in Hamilton today than a year ago.

Could the Acting Prime Minister tell Canadians what the finance minister is going to bring forth in the upcoming budget to alleviate this situation?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I know the hon. member would appreciate my giving the finance minister's budget today. I am not in a position to do that. I would suggest she wait until the minister delivers the budget in his place here in the House within the next few weeks.

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, the Conservative Party is trying to portray a youthful image for itself in the current leadership race using old faces with old ideas.

We have 392,000 unemployed young people in Canada today. That is 17 per cent of our employable youth. Will the Acting Prime Minister tell us what the government is going to do for these young people, who are the future of our country?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, as a matter of fact in the last month an encouraging statistic showed that 14,000 of these young people found employment.

Ms. Phinney: Part time.

Mr. McDermid: Excuse me. It is still unacceptably high. We are bringing forward many programs. The Minister of Finance announced a number of them in his December budget. We are seeing employment growth, especially in Ontario and in the manufacturing areas, which is a positive sign due to the record exports that are going to the United States and to our trading partners, with the exception of Britain.

• (1150)

That is very encouraging news for Canadians and for young people coming into the work force. We will continue to strive toward that end. I am sure the budget of the Minister of Finance, although it will be a tough budget and has to be out of necessity as the provinces are doing as well, will also pay very careful attention to helping those who need it most.

* * *

JOB START PROGRAM

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, I see the Minister of Employment and Immigration has left the House. In any event I would like to put my question to someone who is answering for him.

There is a very successful training program in Oromocto, New Brunswick, for young adults called the Job Start Program. It is not just a classroom experience. It is a real employment scenario where they teach skills and the work ethic. It is a special and continuing approach with a track record of 70 per cent in continuing employment of those who have left the Job Start Program. Unfortunately the job start concept has no longer been included as part of the general national curriculum of the CEC program structure.

Is the minister's department considering the Job Start Program for a future curriculum nationally? Will it recognize the Oromocto project for its unique characteristics in its programming for 1993-94?

Hon. Benoît Bouchard (Minister of National Health and Welfare): That is a very good question, finally, Madam Speaker.

The Department of Employment and Immigration has put forward in two provinces, particularly New Brunswick and British Columbia, a few experiences in terms of new retraining of social recipients in collaboration with the department of health and welfare.

The Department of Employment and Immigration is reviewing the cases and the possibility or opportunity to expand that program. The minister will certainly consider what the hon. member from Fredericton asks of the government.

* * *

FISHERIES

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, this government has abandoned collective bargaining with its employees. It has instituted a wage freeze. It has continued to demonstrate its contempt for federal workers.

Now the Department of Fisheries and Oceans and the minister say they agree fisheries officers should be reclassified. The Department of Transport and the minister say marine surveyors should be reclassified. Everyone claims Treasury Board is the obstacle.

Can the government justify allowing mass reclassification of senior bureaucrats and refusing legitimate reclassification for fisheries officers and marine surveyors?

Hon. Marcel Danis (Minister of Labour): Madam Speaker, in the absence of the President of the Treasury Board, I will take notice of the question of my hon. friend. I can assure her that as soon as the minister comes back he will get back to her on that.

She will have a supplementary question, no doubt.

Ms. Joy Langan (Mission—Coquitlam): Yes, Madam Speaker, I have a supplementary question. I appreciate the minister has undertaken to get that information from the President of the Treasury Board.

I have a letter from a fisheries officer that says: "Unfortunately I am beginning to doubt that fisheries officers are ever going to be recognized for the duties they perform or the services they provide to the people of Canada".

I am also told with regard to marine surveyors that Transport Canada recognizes the legitimacy of their claim after a review of the ship safety branch.

Will the government respect the important service of these workers and reclassify them as they deserve? I hope the minister will say yes and take that to Treasury Board.

Hon. Marcel Danis (Minister of Labour): Madam Speaker, I thank the hon. member for her question.

Like I said in my prior answer, I will bring it to the attention of the President of the Treasury Board. Also I will talk to the Minister of Fisheries and Oceans and the Minister of Transport.

* * *

INTERIM WASTE AUTHORITY

Mr. John E. Cole (York—Simcoe): Madam Speaker, there is a very delicate balance presently in the state of Lake Simcoe as it concerns the water quality and its importance to the Trent–Severn waterway system.

My question is for the Minister of Fisheries and Oceans. Presently the Interim Waste Authority is looking at the mitigation measures and the net effects that a proposed dump site in this area would cause. He is talking about off-site impact studies, biology, geology, hydrology, surface water, all things that are very important to Canadians and to the minister of fisheries.

Is the minister going to report to the Interim Waste Authority prior to the final selection? Will he make a public and formal declaration to the authority? It has asked for submissions. Is the minister going to do this before the site selection process is completed?

• (1155)

Hon. Marcel Danis (Minister of Labour): Madam Speaker, I thank my hon. friend for his question. The minister is away on government business today but I will be sure to bring the comments of the hon. member to his attention. Knowing the minister, I am sure he will reply very shortly to the hon. member.

* * *

JOB TRAINING

Mr. Maurizio Bevilacqua (York North): Madam Speaker, my question is for the minister of employment. This government and this minister often speak about their training strategy but there are some concerns about its efficiency.

The London Industrial Training Advisory Board has over $1 million slated for training but cannot spend it because the money is allocated to train UI recipients only and it cannot find eligible UI recipients.

Why will the minister not relax his government's rigid training guidelines and allow the board to train people who need training whether they are on UI or are UI exhaustees?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I am glad the hon. member has recognized that the Government of Canada is doing a tremendous amount of training and retraining and is spending funds in that regard. I thank him for that compliment.

I can tell the hon. member that moneys being spent for training and retraining of UI recipients is something new. It is very important to ensure that people have the necessary skills when jobs become available to accept them.

I will ask the minister to look into the particular suggestion the hon. member has made. If moneys are not being spent in one area for training then I think they should be spent somewhere else. I will make that suggestion to the minister, and I am sure he will look into it for the hon. member.

Mr. Maurizio Bevilacqua (York North): Madam Speaker, let the record show that I am not at all pleased with what the government is doing on the issue of training. As a matter of fact it has failed desperately in this particular area.

When the training board I mentioned met with officials from EIC to ask them to allow non-UI recipients into the training courses those officials said: "We would rather leave the classroom seats empty than put non-UI recipients in them".

That is absolutely ridiculous, and I ask the minister once again when he will adopt a comprehensive, flexible approach to training and abandon his government's present unfair position.

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I caution the hon. member in bringing forward quotes like that because I am going to challenge him right now to name the person who said that and to bring to the minister's attention the name of the person the direct quote was attributed to.

I know members of my party and I would be very concerned with that kind of talk, because it really does not fit what we are trying to do with training in this country.

If the hon. member would be so kind as to tell me who made that statement, we can question them to find out why they said that. I think it would be most helpful. It might be helpful to go outside the House and name that person as well.

* * *

EXTERNAL AFFAIRS

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, my question is for the Acting Prime Minister. Christine Lamont and David Spencer are now in their fourth year in Brazilian prisons. Christine has recently been tested positive for tuberculosis.

Will the Acting Prime Minister tell the House why the Prime Minister has not yet replied to letters written to him on January 7 and March 2 from leaders of the Anglican, Catholic, Presbyterian, and United churches asking to meet with him on this very important issue?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the hon. member knows about this government's communications with the Government of Brazil.

A new development has occurred in Brazil in that the Brazilian Supreme Court yesterday agreed to consider the appeal on the length of the sentences. The Government of Brazil is aware of Canadian concerns regarding the length of the 28-year sentence. The Brazilian government is also aware of the importance that Canada attaches to an early decision on the appeals currently standing, but I think it is positive that the Brazilian Supreme Court is currently looking at the situation.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, in fact the minister will know that two days ago the Superior Court of Brazil agreed that the 28-year sentences for Christine and David were unconstitutional. No one knows exactly when the court will set new sentences, whether it will be in six months or a year or whenever.

• (1200)

The Department of External Affairs throughout this has taken the view that nothing improper happened in the Brazilian judicial system. Now we find two days ago that it clearly did.

In the circumstances, why will the Prime Minister simply not ask that these two Canadians be expelled from Brazil as is allowed by Brazilian law, and as so many Canadians, church leaders, members of Parliament from all parties have asked the government to do?

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, the hon. member should know better.

I am sure if this government or any other government was attempting to interfere in the procedures of the courts in Canada he would be the first one on his hind legs screaming and yelling like a wounded hyena. The same is true with the—

Some hon. members: Oh, oh.

Madam Deputy Speaker: We will end with two single questions from the hon. member for Oshawa and the hon. member for Cambridge.

* * *

GOODS AND SERVICES TAX

Mr. Mike Breaugh (Oshawa): Madam Speaker, I have a question for the Minister of National Revenue.

One of my constituents, Mr. Harold Booth, purchased a 1991 Cadillac. He was rather incensed at the amount of goods and services tax he paid on the vehicle, $2,640.75.

He was infuriated when he found out through something called a national input credit formula for car dealers that the split on the goods and services tax resulted in the car dealer receiving $1,727.59 for processing the tax collection and the Government of Canada receiving $913.16.

How does the government justify a situation where a car dealer makes more money collecting taxes for the Government of Canada than it does selling the vehicle?

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, the hon. member is incorrect, of course, as he usually is.

If he would look at the cost of vehicles prior to the elimination of the federal manufacturers' sales tax he would know that the cost of the vehicles was higher than it is with the new GST.

For the sake of a healthier and more competitive industry, not only in the automotive area but across Canada as a whole, the government had the guts to eliminate that hidden, unfair tax and replace it with an open, visible GST which has lowered the cost of automobiles for consumers in Canada.

* * *

INTERPROVINCIAL TRADE

Mr. Pat Sobeski (Cambridge): Madam Speaker, I would like to direct my question to the Minister for International Trade.

The Canadian Manufacturers' Association estimates provincial barriers to interprovincial trade cost Canadians $6.5 billion a year. The C.D. Howe Institute in a March 16 statement on internal trade within Canada said that provincial and territorial internal trade ministers should seize the opportunity to agree to remove internal trade barriers.

These discussions have been going around since 1986 and in my opinion there has been a tremendous lack of political will.

Could the minister or the parliamentary secretary update this House about any progress made in meetings held yesterday in Montreal concerning the dismantling of provincial trade barriers?

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I am pleased to respond to my hon. friend's question.

As all members of the House will know, nobody has been more vigorously working in the direction of breaking down interprovincial barriers, as he did in bringing forward in a major way the free trade agreement and the NAFTA, than the current Minister of Industry, Science Technology and Minister for International Trade.

I am pleased to advise the House that yesterday the minister and his provincial counterparts agreed to a basis, a timetable and a negotiating process by which they will eliminate interprovincial trade barriers.

I might mention that this timetable calls for the commencement of formal negotiations no later than July 1 of this year, the completion of negotiations by June 30, 1994 and the ratification of a comprehensive agreement by June 30, 1995. This is a tremendous announcement and is greatly to the credit of the minister who has done such an excellent job in preparing the Canadian economy for growth, development, jobs and other opportunities.

• (1205)

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Madam Speaker, the Minister of National Revenue has just left the House for a moment I am sure.

From this side of the House I heard him using the term "a wounded hyena" and I thought it was in reference to another member of the House. I think perhaps you might check the "blues" and if this term was used, perhaps the hon. minister would consider withdrawing it.

It is bad enough that in the heat of battle we do use terms that are sometimes uncivil, at least from my perspective. I would feel that a term, if he did use it, like "wounded hyena" describing any member of Parliament should be withdrawn.

I would ask the Chair to please look into it and if she deems it necessary, make a ruling on it.

Madam Deputy Speaker: I will definitely do as the hon. member asks. If the expression was used describing someone in a derogatory manner, of course, a withdrawal would be in order.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 58 petitions.

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

HOUSE MANAGEMENT

PRESENTATION OF 74TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I have the honour to present the 74th report of the Standing Committee on House Management concerning the list of members who are to sit on the legislative committee on Bill C–102.

Pursuant to Standing Order 113(1), this report is deemed adopted once it is laid upon the table.

* * *

HOUSE MANAGEMENT

PRESENTATION OF 75TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I also have the honour to present the 75th report of the Standing Committee on House Management concerning the list of members of the standing committee.

If the House agrees, I intend to move concurrence in this report later today.

* * *

[*English*]

ELECTORAL REFORM

FOURTH REPORT OF SPECIAL COMMITTEE

Mr. Jim Hawkes (Calgary West): Madam Speaker, I have the honour to report from the Special Committee on Electoral Reform its fourth report. In accordance with its order of reference of Monday, March 8, 1993 your committee has considered Bill C–114, an act to amend the Canada Elections Act and has agreed to report it with amendments.

The House would also like to know that the committee has ordered a reprint of Bill C–114, as amended, as a working copy for the use of the House of Commons at report stage.

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

CRIMINAL CODE

MEASURE TO AMEND

Mr. Jim Hawkes (Calgary West) moved for leave to introduce Bill C–417, an act to amend the Criminal Code (gun control).

Madam Deputy Speaker: Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. Hawkes: Madam Speaker, this would be a fairly brief amendment to the Criminal code. There has been a recent interpretation which currently requires registrars of firearms to take firearms away from people who bring them in for registration and keep them for up to six months until a permanent registration certificate is issued.

This is happening in situations where most of the firearms are brought in by people who already have registered firearms. They have safe storage in their homes. These firearms would be better kept in those safe storage areas.

This would permit them to bring their guns in for examination and then take them home immediately to the safe storage situation, thus relieving some of the pressure on the Crown. Not all police stations have safe storage situations. It will be safer for society and better for the owners of guns. That is the thrust of the amendment.

Madam Deputy Speaker: Mr. Hawkes moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

• (1210)

[*Translation*]

HOUSE MANAGEMENT

CONCURRENCE IN 75TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, if the House agrees, I move concurrence in the 75th report of the Standing Committee on House Management, which was presented to the House today.

[*English*]

Madam Deputy Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Mr. Angus: Madam Speaker, unfortunately I cannot give consent at this time. I would be more than happy to allow it to come forward later but there has been a breakdown in communications. I am not certain what is in it, and therefore I think it would be inappropriate for me to give consent at this time.

* * *

[*Translation*]

PETITIONS

HOUSING CO–OPERATIVES

Mr. Mac Harb (Ottawa Centre): Madam Speaker, as you know, housing co–operatives are an affordable alternative to regular rental housing and help meet the huge demand for social housing in Canada. Unfortunately the federal budget cut 34 per cent from the projected spending on social housing in 1992 and led to the cancellation of the Co–operative Housing Program.

For these reasons, voters in the Ottawa Centre region have signed a petition urging the House of Commons to ask the government to restore the Co–operative Housing Program.

[*English*]

VIOLENT CRIMES

Mr. Pat Sobeski (Cambridge): Madam Speaker, pursuant to Standing Order 36, the petition is certified correct as to form and content.

This petition has been signed by over 2,500 constituents in Cambridge and Kitchener and relates to the fact that these people feel the majority of Canadians consistently support more severe criminal sentences for violent crimes. It asks Parliament to pass legislation establishing mandatory minimum sentences for all violent crimes which would apply uniformly across all regions of Canada.

CANADA–U.S. FREE TRADE AGREEMENT

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, I have two petitions on the same subject, the subject being free trade.

The first petition is from the Council of Senior Citizens organizations of British Columbia. It is opposed to the present free trade agreement with the United States and petition the House and the government not to enter into a further agreement with Mexico.

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, I have another petition signed by a number of people, many of whom are from my riding of Port Moody and Coquitlam, British Columbia.

They ask the House to reject the proposed North American free trade agreement and recommend to the government that it use the termination clause to get out of the present Canada–U.S. free trade agreement.

[*Translation*]

BILL C–113

Mr. Charles A. Langlois (Manicouagan): Madam Speaker, I have the pleasure today to table several petitions signed by over 1,000 people from several communities in my riding concerning Bill C–113, particularly the changes to unemployment insurance.

* * *

[*English*]

HOUSE MANAGEMENT

CONCURRENCE IN 75TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I think you would find unanimous consent to move the motion that I previously moved. I would ask you to seek that consent.

Madam Deputy Speaker: Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Mr. Langlois: I move:

That the 75th report of the Standing Committee on House Management be concurred in.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the following questions will be answered today: Nos. 463 and 474.

[*Text*]

Question No. 463—**Mr. Dingwall:**

With respect to Canadian National (CN), (a) how many hectares of undeveloped land does it presently own (b) how many hectares of developed land does it presently own (c) what is the total market value of the land?

Hon. Jean Corbeil (Minister of Transport): The management of the Canadian National Railway Company advises as follows:

(a) and (b) CN as a whole has approximately 150,000 hectares of land. Most of this inventory is in rail operating use.

At CN Real Estate, the real estate business arm of Canadian National, there are approximately 14,000 hectares of undeveloped land in the inventory at the present time, of which 8,700 hectares are abandoned rights–of–way, 5,000 hectares are other rural and miscellaneous lands, and 308 hectares are development sites.

Assuming that developed land includes buildings, these buildings would be generally measured in square feet, not acres or hectares. At the present time, CN Real Estate wholly owns approximately 726,000 square feet of office buildings, multi–use properties, retail and parking structures in major markets, and has an ownership interest in an additional 3,400,000 square feet of income–producing properties.

(c) The total market value of all of CN Real Estate's land holdings and income properties is approximately $900 million.

Question No. 474—**Mr. Whittaker:**

With respect to the publication "Canada Moves", dated February, 1993 distributed in the *Globe and Mail* of February 11, 1993, (*a*) what is the total cost of this publication to the government, departments, agencies and Crown corporations (*b*) how much was paid by each department, agency and Crown corporation (*c*) what is the cost of advertising by each organization which appears in the publication (*d*) which agencies received the contracts for those ads?

Hon. Jean Corbeil (Minister of Transport): "Canada Moves" is a Toronto *Globe and Mail* publication (Supplement). The following corporations were invited to advertise.

The Canada Ports Corporation advises as follows:
(*a*) Not applicable.
(*b*) See (*c*) below.

(*c*) Canada Ports Corporation (including the ports of Trois-Rivières, Saguenay and Sept-Îles and the Advantage Canada Initiative) $51,7000
Montreal Port Corporation $10,200
Prince Rupert Port Corporation $5,610
Vancouver Port Corporation $10,000
Halifax Port Corporation $5,610

(*d*) Nil.

The management of the Canadian National Railway Company advises as follows:

(*a*) Not applicable. (*b*) $12,000. (*c*) Same as in (*b*) above. (*d*) CN's ad was placed through its agency, BBD Needham Worldwide.

[*Translation*]

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

Madam Deputy Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

• (1215)

POINT OF ORDER

ERROR IN TABLE OF CONTENTS OF HANSARD

Hon. Marcel Prud'homme (Saint-Denis): Madam Speaker, yesterday, my party Whip asked me to do him the favour of responding to the statement made by the Minister responsible for La Francophonie. You were there yourself and since you presided over the proceedings, you know what I am going to say.

I am sorry, but this is the third time. Under "Routine Proceedings" in the table of contents in French, *La Table des Matières* and *Affaires courantes*, my name is conspicuously absent. The Whip told me this morning that I did not do my duty yesterday, because the Official Opposition was not represented under "Routine Proceedings".

You know very well I took part in the debate, and I brought this up because it is the third time this has happened. The first time I let it pass. The second time I decided to be patient, but now, the third time, enough is enough.

I was given assurances this morning that everything would be done to prevent a recurrence, but to the many people who read *Hansard* and look at the table of contents first to see what might interest them, it looks like the Official Opposition was not interested in World Francophonie Day.

I am raising this point of order so that corrections will appear on Monday. I don't know how the House will do this, but I know it is possible, so that Canadians know the Official Opposition, which I represented yesterday, is indeed interested in this very important subject. Under Routine Proceedings, under the heading "World Francophonie Day", we read the names of Mrs. Vézina, Mr. Samson, Mr. Plamondon and Mr. Kindy. There was a mistake, because the list should read as follows: Mrs. Vézina, Mr. Prud'homme, Mr. Samson, Mr. Plamondon and Mr. Kindy.

Being a seasoned parliamentarian, I will not pursue the matter. I realize people make mistakes, but you will admit it is very annoying. On my twenty-ninth anniversary as a member, the proceedings were interrupted to mark that occasion, which subsequently appeared under the heading "Agriculture". If anyone wants to know exactly what was said in that debate at that time, they will have to look under "Agriculture", in which case they will never be able to read again what was said on an occasion which I must say I enjoyed very much.

I hope this will not happen again and that the machines will be supervised more carefully, since today everything is electronic.

Madam Deputy Speaker: As the hon. member just said, I presided over the proceedings when the hon. member made his speech, and a very interesting one, in connection with World Francophonie Day. At least I can give the Liberal Whip the assurance that the hon. member did make a very interesting statement yesterday in the course of this debate.

This oversight in the table of contents is annoying. I certainly realize that. And I may say I don't blame the hon. member for being not only annoyed but even angry—

Mr. Prud'homme: Not angry, just sad.

Madam Deputy Speaker: —or sad, and we will make sure the necessary corrections are made in the other editions of *Hansard*.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT, 1993 NO. 2

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-113, an act to provide for government expenditure restraint, as reported (without amendment) from the legislative committee.

SPEAKER'S RULING

Madam Deputy Speaker: There are 19 motions in amendment standing on the Notice Paper for the report stage of Bill C-113, an act to provide for government expenditure restraint.

Motion No. 1, standing in the name of the hon. member for South Shore, infringes upon the financial initiative of the Crown contrary to citation 698(7) of Beauchesne's sixth edition. Therefore it is out of order and consequently will not be selected.

• (1220)

[*Translation*]

Motions Nos. 2, 4 and 5, standing in the name of the hon. member for Thunder Bay—Atikokan, will be grouped for debate with a vote on Motion No. 2 applying to Motions Nos. 4 and 5.

[*English*]

Motion No. 3, standing in the name of the hon. member for South Shore, seeks to amend a statute which is not even part of the bill before the House. This is contrary to citation 698(8)(a) of Beauchesne. Therefore it is out of order and accordingly will not be selected.

[*Translation*]

Motions Nos. 6 and 12, standing in the name of the hon. member for Timmins—Chapleau, also infringe on the financial prerogative of the Crown. Therefore they are out of order and consequently will not be selected.

Motions Nos. 16, 17, 19, standing in the name of the hon. member for South Shore, will be grouped for debate and voted on separately.

[*English*]

Motions Nos. 7, 8, 9, 10, 11, 13 and 14, standing in the name of the hon. member for Timmins—Chapleau, will be grouped for debate and voted on as follows: (a) a vote on Motion No. 7 will apply to Motions Nos. 8, 9 and 10; (b) Motion No. 11 will be voted on separately; and (c) an affirmative vote on Motion No. 13 will obviate the necessity of the question being put on Motion No. 14. A negative vote on Motion No. 13 requires the question to be put on Motion No. 14.

Motion No. 15, standing in the name of the hon. member for Timmins—Chapleau, attempts to introduce a new concept into the bill and therefore is beyond its scope contrary to citation 698(1) of Beauchesne. It is out of order and accordingly will not be selected.

[*Translation*]

Motions Nos. 16, 17, 19, standing in the name of the hon. member for South Shore, will be grouped for debate and voted on separately.

[*English*]

Motion No. 19, standing in the name of the hon. member for South Shore, is consequential to Motion No. 3 and therefore will not be selected.

I shall now propose Motions Nos. 2, 4 and 5 to the House.

Mr. Danis: Madam Speaker, on a point of order. There have been discussions among the parties and I would ask for consent to table the royal recommendation for Motion No. 1 and to allow the three Motions Nos. 1, 3 and 19 to stand.

Madam Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Madam Deputy Speaker: Agreed and so ordered.

Following the unanimous consent which was given a second ago, I would like to give this ruling to the House and I think it is the way we should proceed.

Motions Nos. 1, 3 and 19, standing in the name of the hon. member for South Shore, together with Motions Nos. 2, 4 and 5, standing in the name of the hon. member for Thunder Bay—Atikokan, will be grouped for debate and voted upon as follows:

A vote on Motion No. 1 will apply to Motions Nos. 3 and 19. An affirmative vote on Motion No. 1 will obviate the necessity of putting the question on Motions Nos. 2, 4 and 5. A negative vote on Motion No. 1 will necessitate the question being put on Motion No. 2. The vote on Motion No. 2 will apply to Motions Nos. 4 and 5.

• (1225)

Mr. Angus: Madam Speaker, I wonder if I could ask the indulgence of the Chair. The ruling you have offered to us will allow very clearly for a vote on matters relating to transportation in Atlantic Canada. That is the vote on Motions Nos. 1, 3 and 19.

By obviating the need for a vote on Motions Nos. 2, 4 and 5, you prevent this House from having a separate vote on a matter directly related to western Canada, i.e., the Western Grain Transportation Act.

I am wondering if the House will agree to have a separate vote. We accept the grouping for debate, but ask for a separate vote on the clauses dealing with the Western Grain Transportation Act which are clauses 15 and 16. That would be Motions Nos. 4 and 5.

Madam Deputy Speaker: I will put to the House a different possibility of applying the votes. I hope this will be agreeable to all parties.

The motions are still grouped for debate. A vote on Motion No. 1 will apply to Motions Nos. 3 and 19. An affirmative vote on Motion No. 1 will obviate the necessity of putting the question on Motion No. 2. A negative vote on Motion No. 1 will necessitate the question being put on Motion No. 2. The vote on Motion No. 4 will apply to Motion No. 5.

Is it agreed?

Some hon. members: Agreed.

MEASURE TO ENACT

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade) moved:

Motion No. 1.

That Bill C-113 be amended in Clause 14

(*a*) by striking out line 23 at page 6 and substituting the following:

"be twenty-eight and one-half per cent for preferred move-"; and

(*b*) by striking out line 31 at page 6 and substituting the following:

"twenty-eight and one-half per cent rate."

• (1230)

Mr. Iain Angus (Thunder Bay—Atikokan) moved:

Motion No. 2

That Bill C-113 be amended by deleting Clause 14.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade) moved:

Motion No. 3.

That Bill C-113 be amended

(*a*) by adding immediately after line 31 at page 6 the following new clause:

"*Maritime Freight Rates Act*

15. Section 5 of the *Maritime Freight Rates Act* is amended by striking out the word "and" at the end of paragraph (*c*) thereof, by adding the word "and" at the end of paragraph (*d*) thereof and by adding thereto the following paragraph:

(*e*) movements of used household goods and movements of scrap and waste material"; and

(*b*) by renumbering the subsequent clauses and any cross-references thereto accordingly.

Mr. Iain Angus (Thunder Bay—Atikokan) moved:

Motion No. 4

That Bill C-113 be amended by deleting Clause 15.

Motion No. 5

That Bill C-113 be amended by deleting Clause 16.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade) moved:

Motion No. 19.

That Bill C-113 be amended in Clause 28 by striking out line 8 at page 13 and substituting the following:

"(4) Sections 14 and 15 shall come into".

He said: Madam Speaker, I would like to speak to the amendments I have put forward and begin by thanking my hon. friends opposite for their co-operation, particularly those in the New Democratic Party and the Liberal Party who participated in the legislative committee on Bill C-113, in allowing these amendments to come before the House. I would like to apologize and thank Your Honour and the Table for the difficult procedural challenge I presented with these amendments as they have come forward.

These amendments are extremely important to the manufacturing sector in Atlantic Canada and members of the Atlantic Transportation Commission who first brought forward their necessity to the legislative committee on Bill C-113 and indeed the government.

The reduction in subsidies introduced in the December economic statement of the Minister of Finance would have cut the subsidies provided under the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act by 10 per cent.

Shortly thereafter the Atlantic Transportation Commission on behalf of manufacturers in Atlantic Canada approached the government. As business people they respected and appreciated the government's deficit control efforts and wished to support the government in its deficit control efforts. Their request was that instead of an across the board reduction in the subsidies they would prefer a selective application of the subsidies that would be more in tune with the concept for which these statutes were initiated in the first place.

I might remind the House briefly that these programs came about going back to the Duncan commission on maritime claims in 1926, after which the Maritime Freight Rates Act was brought in. Those statutes respond to the National Transportation Act in its intention and recognition of transportation as a key to regional economic development and commercial viability.

In Atlantic Canada manufacturers and producers are in effect price takers rather than price setters in the marketplace. As such they must generally absorb all or a major part of outbound transportation, particularly when selling into central and western Canada.

The Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act provide a reduction in freight rates for the movement of commodities that have been manufactured or produced in Atlantic Canada. That in effect makes it more possible for Atlantic Canadian manufacturers to be competitive in the larger markets of central Canada.

• (1235)

What has been brought forward in the proposals encapsulated in this set of amendments would see, rather than 10 per cent across the board, no change in the basic subsidy for the selective westbound; in the basic westbound, a 5 per cent reduction and in the inter-regional, a 10 per cent reduction. Household goods would be eliminated from the basic westbound. Scrap and waste materials would be eliminated from the basic westbound. At the same time during the first year of the program there would be data collected with a view to making further modifications next year.

It is important to say that members of the House, in having amendments before them for discussion, are hearing what has been said to government, indeed to all parties, by Atlantic businessmen and manufacturers. It is going to be beneficial. It brings those two statutes back to their original purposes in terms of supporting manufacturing enterprises. I am sure it will be very well greeted by the business community in Atlantic Canada and the people whose jobs depend on those manufacturing enterprises.

I thank the House and strongly recommend the support of these amendments by all members.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I suspect some members were caught by surprise by the brevity of the hon. member's speech.

I rise today to oppose the contents of this bill, having put forward motions that specifically would delete the clauses to reduce subsidies under the Western Grain Transportation Act and subsidies under the Atlantic Region Freight Assistance Act.

The government has brought in a modification of the bill based on its consultation with the Atlantic Provinces Transportation Commission. We on this side of the House facilitated the government getting unanimous

consent in order to undo some of the damage being wrought with this bill.

I want to make very clear that we will vote against the government amendment. Although it makes a very bad bill slightly better, we are against the elimination of across the board subsidies to Atlantic Canada just as we are against the 10 per cent reduction of federal funding going to the Western Grain Transportation Act which is designed to ensure that our farmers on the prairies can afford to ship their grains to export markets.

Let us not fool ourselves. This is not just an exercise in deficit reduction. This is not just an exercise of down loading to the provinces or the municipalities. When it comes to the section of the Western Grain Transportation Act we are down loading into the pockets of the farmers. This is not a reduction in the rates charged by the railways. This is a reduction in the amount of money used to offset the cost to the producer.

Whether it is $1, $2, or $3 a tonne, that money has to come out of the pockets of farmers who have already been bled dry because of the price of grain around the world, thanks to the Americans and the Europeans in terms of the subsidy war. It costs a lot of farmers more to produce grain than what they get when they sell it. The government has decided to put more onus on those farmers to pick up the cost.

I am wondering what all this is about. It has to do with a law that was passed on September 28, 1988. It is called Public Law 100–449, entitled U.S.–Canada Free Trade Agreement. I want to quote from an interesting section of it. It is section 304 that deals with negotiations regarding certain sectors' biannual reports. Referring to the President of the United States it says: "(a) in general and (2) as an exercise of the foreign relations powers of the President under the Constitution, the President will enter into immediate consultations with the Government of Canada to obtain the exclusion from the transportation rates established under Canada's Western Grain Transportation Act of agricultural goods that originate in Canada and are shipped by east coast ports for consumption in the United States".

• (1240)

How much of the free trade agreement agenda is found in Bill C–113? Certainly my colleagues will argue that the whole question of the cuts to UI does nothing more than parallel what is available in a number of our competitor States today.

Obviously the Atlantic Provinces Transportation Commission has been successful in convincing the government that there is a better way to make these cuts. I give it credit for coming forward and taking a look at some of the elements in the current legislation that perhaps skew things in Atlantic Canada.

For example, the provision that scrap metal can be subsidized means that it is cheaper to send scrap metal to Hamilton or Sault Ste. Marie than it is for the metal to go to Sysco in Cape Breton. That does not make sense.

The subsidy for household goods is used primarily by federal employees who are being reimbursed by the government in any case to move their household goods from Atlantic Canada when they are transferred back across the country, whether it is DND, the RCMP or whatever.

Those things make sense. I understand why the APTC put them forward to get a reduction and more power to the commission, but I want to ask the government where the same consideration was for federal public servants who were told that they were having their wages restricted as a means of helping the government's deficit plan. Did the government sit down with them and work out a way in which perhaps money could be saved? There was not one discussion.

What about the unemployed who are being hammered by this bill? The unemployed who for whatever reason have to quit a job without having another one to go to are to be denied UI benefits entirely. Did this government sit down with those people and say: "Is there a better way?" Did it even ask: "If we put you back to work, will that help the deficit?" Of course it will. Those are areas my colleagues will pursue as they participate in this debate.

I want to return to the Western Grain Transportation Act. If the government was legitimately concerned about the act and the manner in which the funding is offered, it would recognize, as the Standing Committee on Transport did, that there are some imbalances in the act. It does not treat both directions in the same way. It does not provide assistance to the marine sector to take the

grain that comes to the port of Thunder Bay and move it to an export position in the St. Lawrence River.

The transport committee has recommended that on an interim basis the marine component be covered. That will stimulate the economy in eastern Canada because right now we are in danger of not having enough ships to move the crops from western Canada. The reality is that the west coast is plugged. One more bushel of grain cannot be moved through Prince Rupert or Vancouver. None of us want grain being moved through Seattle because we want the jobs to stay in Canada. If we do not act and provide for a better balance we are not going to have enough ships on the Great Lakes. We are not going to have enough people left in Thunder Bay to handle the grain, clean it, weigh it and trans-ship it. As a nation we are in danger of losing our ability to be flexible. The same arguments can be made for Churchill as well.

What the government is doing now by cutting the Western Grain Transportation Act is saying to the seaway: "No, we are not going to give you any more money. We are not going to help you out. We are going to let you go down the tubes". At the same time it is saying to the farmers: "We lied to you years ago when we passed this act".

• (1245)

The Liberals passed the Western Grain Transportation Act, and the Tories have not bothered to deal with its inequities. They were saying at the time: "Trust us. Do not worry, it is in the law. It cannot be changed. The formula is firm". We have just proven that it is not firm. The government arbitrarily cuts 10 per cent and attacks the farmers at the same time, both in terms of the next two or three years by making them pay more for their transportation and also by sending them a signal that the Western Grain Transportation Act is up for grabs.

Certainly the United States would like us to get rid of it. My sense is that this government would like us to get rid of it, because of this warped sense that we have to get rid of the deficit.

We do not necessarily disagree with getting rid of the deficit and bringing it down to a manageable level, but we do disagree with doing it by attacking people. That is not the way. We need to put more money in the hands of people so they can get out there and buy consumer goods, create jobs and therefore create new taxpayers.

This is true for the bill itself in its entirety, but these three clauses in particular are going to undermine the fabric of this country. We on this side, my caucus, have no choice but to propose the kind of amendments that I have put forward to eliminate the clause that reduces the Western Grain Transportation Act by 10 per cent and to eliminate the clause that reduces in any way the freight subsidy in Atlantic Canada. We need to protect those areas of subsidy because in doing so we are protecting the regions and we are protecting the people.

For the government to bring forward this kind of legislation shows quite frankly that it does not care any more. It does not care about Atlantic Canada. It does not care about the unemployed. It does not care about western Canada. It does not care about any part of this country.

Therefore I am going to continue to oppose this bill, as will my colleagues. I am pleased that the member for Regina—Lumsden was able to second my motion, because of anybody in this House he is not only the most knowledgeable member on transportation but the strongest defender of the prairie farmers and the most vociferous opponent of the kind of cuts that we are seeing here today.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I am happy that the Atlantic Provinces Transportation Commission was able to talk a little sense into the government as this bill was passing through the committee and achieve the modest relief that is represented in the amendment.

The commission is fighting a losing battle and it has been, along with other transportation groups in Atlantic Canada, for the last several years this government has been in power. In Atlantic Canada we are seeing, through other legislation, the erosion of subsidies to grain producers and grain consumers in Atlantic Canada, as well as an erosion of the transportation infrastructure generally in Atlantic Canada.

This has been the legacy of this Conservative government. It is one that has been very much on the minds of industries that use transportation services, be it to bring grain or other products in from central Canada or to send our own products such as food products, pulp and paper and our basic resources across Atlantic Canada and through the rail system and the road network out to market elsewhere in Canada and the United States.

This may be a small victory, and I would certainly respect the ability of the Atlantic Provinces Transportation Commission to speak on behalf of transporters in Atlantic Canada. It has proven itself in other instances to be a responsible advocate of the transportation industry in Atlantic Canada. It is certainly willing to work within the confines of legislation that is put before it.

• (1250)

Certainly this legislation does very little to enhance the ability of our industry, producers and consumers in Atlantic Canada to receive a level playing field when it comes to east-west transportation. The amendment before us does not exonerate the bill itself, which we continue to oppose.

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I have a feeling of *déjà vu*. I have a feeling we have been here before, between 1980 and 1984 when the Liberals abolished the Crows Nest Pass freight rate agreement of 1897 and implemented the Western Grain Transportation Act over my objections and the objections of my colleagues and major farm organizations.

It got to the point where the prairie wheat pools reluctantly accepted the abolishing of that rate and the increased freight rates for grain producers. It reluctantly accepted those changes because of the guarantee of a basic rail network, the guarantee of a sufficient supply of grain cars and the guarantee that the Government of Canada would continue to pay its share of the freight rates under the Western Grain Transportation Act.

This bill proposes to reduce the government's share of the cost of moving that grain by 10 per cent, which means that the difference will have to be picked up by farmers.

Ever since 1984 the grain producers of western Canada have been paying an ever-increasing amount of the cost of moving grain. In 1986-87 their share was $5.97 a tonne. For 1991-92 it had almost doubled to $11.07 a tonne. For the current year it will be $14.12 a tonne. That is an almost threefold increase in the farmers' share of the cost of moving grain, while grain prices have been steadily dropping since the 1980-81 crop year. They have gone down almost every single year.

The prairie wheat pools, representing 100,000 grain producers in the three prairie provinces, made it clear that it does not like, does not accept and does not agree with this provision in the bill. It says that its concern about the expenditure cuts legislation lies in the section that deals with a 10 per cent cut to the assistance paid by the federal government under the Western Grain Transportation Act.

The WGTA was implemented in 1984 under the Liberal government and with reluctant support by the Tories, or at least they said they were reluctant. Prairie farmers reluctantly gave up fixed freight rates and accepted increasing freight costs in exchange for a guarantee of service from the railways and a commitment of a constant amount of assistance from the federal government. This assistance, the Crow benefit, was set up in perpetuity in the Western Grain Transportation Act.

• (1255)

The Tories have done it again. They have even brought an end to perpetuity. It was only on the condition that the prairie grain producers had this guarantee in perpetuity that they reluctantly went along with the abolishing of the Crows Nest Pass freight rates.

If this is not a betrayal, if this is not going back on the word of the Government of Canada, of the Parliament of Canada, then I do not know what is.

I want to say to the Minister of Supply and Services that he can inform his four colleagues from Saskatchewan that not a damned one of them is going to be back here. There will be no Tories from Saskatchewan, just as there are no Liberals from Saskatchewan. Both parties are going to be wiped out because of what they did from 1980 to 1984 and what they are doing again now.

An hon. member: We have no money to spend on it.

Mr. Benjamin: If the hon. member knew what a bushel of wheat looked like if it hit him in the face I would be prepared to listen to him. He can get up and make his own speech later.

The United States Congress is proposing to authorize the President of the United States to disallow grain moving from Canada to the United States under the Western Grain Transportation Act for United States consumption. If that is not a direct interference in the internal affairs, sovereignty and independence of Canada then I do not know what is.

The government has taken action, to its credit, to intervene and prevent the American government from making American subsidiaries obey United States' law in Canada. The government put a stop to that kind of interference. It damn well has to put a stop to this kind of interference as well.

The equalized grain rates, the subsidized grain rates, are meant to put Canadian grain producers in an even position, a level playing field—the Tories want to call everything a level playing field. What the hell is the use of having a level playing field if the other guy has the ball on our 10-yard line all the time?

The average haul for Canadian grain producers is over 900 miles, for American producers it is about 700 miles, and for producers in Australia and Argentina it is under 200 miles. In order to have equal competition with grain-exporting countries we devised a freight rate system that put our grain producers in the Canadian Wheat Board in a position in which they could compete. Now the government wants the farmers to pick up some more of the tab.

It is kicking them when they are down. I guess that is the way the Tories fight, that is the way they govern. They kick them when they are down.

We warned about this in the period from 1980 to 1984 when the Liberals were in power. We told them what would happen. They pooh-poohed us, would not believe us. Railway companies would not believe us and declared they would not be doing the things we said they would. They have done it. The railways are now applying to abandon even some of those rail lines that are guaranteed in the basic network until the year 2000. So much for their guarantees. So much for the government's guarantees. So much for the government's law that says that these are guaranteed in perpetuity.

Any benefit we were getting out of the Western Grain Transportation Act, supposedly in perpetuity, supposedly with guarantees, is being wiped out with a stroke of a pen by this government.

• (1300)

I do not understand why it has to do this. The impact it will have on the deficit is negligible. But the impact it will have on grain producers to the tune of about an additional $2 per tonne will be $2 per tonne less that they will spend in their communities. It will be be $2 a tonne less that they will spend on buying farm machinery which is manufactured in eastern Canada; $2 a tonne less to survive.

While thousands and thousands of our grain producers over the last several years have gone bankrupt and lost land that had been in their hands for three and four generations, the Tories, the Liberals, the press and free enterprise call it a recession.

In some respect what they are going through in western Canada right now is a depression and in some respect it is worse than what the grain farmers experienced in the dirty thirties. Tory times are tough times. Tory times and Liberal times are dirty times like the dirty thirties. It is time to put a stop to this.

We must not allow this to happen to our grain producers again. Enough is enough. I hope that hon. members will see that this has to be stopped. I hope that the Liberals will be willing to admit the errors of their ways and that they were wrong between 1980 and 1984.

Now they are opposing this kind of measure. They did not then. I hope that they will admit the errors of their ways and confess their sins of omission and commission. Vote for this amendment. I hope government members, particularly those of the three prairie provinces, will think twice before they vote for this kind of legislation.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, the hon. member for Regina—Lumsden, who is a very senior and very distinguished member of this House, has made some rather silly statements in his speech. Frankly I was very very surprised.

I know that he is something of an elder statesman in this House and will not mind me referring to him as such. He has indicated he is not going to run in the next election. No doubt the House will miss him.

What I was surprised at was his outrageous suggestion that somehow because there were no Liberals in Saskatchewan at the moment, there would not be any after the next election. I suspect that he knows as well as I do that the people of Saskatchewan have woken to the reality that things have not worked properly for them, either under a Conservative government, which we all acknowledge and he will agree with me has been a

disaster for this country, and of course for his province with an NDP government. The Devine government was anything but divine for the people of Saskatchewan.

He had a further difficulty in that he suggested that somehow the NDP provincial government in that province had changed things around. It had a budget yesterday that changed things around all right. It is a change from the Tories, I agree, but it behaved just like the federal Tories.

A little while ago in Question Period, the minister was making some comment.

An hon. member: Point of order.

Mr. Milliken: If the hon. member has a point she can get on her feet and raise it.

Ms. Langan: Madam Speaker, on a point of order. I think it would be nice if the hon. member would address the amendment.

Madam Deputy Speaker: It is a smart idea.

Mr. Milliken: It is a brilliant idea, Madam Speaker. I am doing that. I am simply responding to the hon. member's speech. He was making these comments during his speech. I am replying to the comment because I want to set the record straight. I did not want Canadians to feel that perhaps things were not accurately stated in this House.

Aside from his statement that this New Democratic government was doing the right thing, we had a budget that one of the ministers in Question Period was praising today because he said it was exactly the same kind of budget that the government had been introducing in this House all these years. I point it out to the hon. member for Mission—Coquitlam who just raised this issue on a point of order that NDP governments behave just like Tory governments. They say one thing in opposition but they act just the opposite when they get in office.

• (1305)

For the hon. member for Regina—Lumsden to sit here and suggest that somehow our actions are the same as the government's is frankly outrageous. Our party is supporting this amendment. We have indicated our support for the amendment. We are voting for it as he has indicated he is going to vote for it and we do support the amendment.

In case he was not clear on that, he seemed to have some inability to grasp, but we do support it and speakers on this side of the House have previously said that.

I urge him to bear in mind that we are. I urge him to speak to his colleagues in the NDP and suggest that perhaps they join the Liberal tide in Saskatchewan so they can get elected because I fear as he must that come the election there will not be any NDPers left in Saskatchewan, Manitoba, British Columbia or anywhere else in this country.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, I am rising on the amendment. I want to say that the hon. member for Regina—Lumsden has not lost any of his fire over the years he has served in this House. It is always a treat to hear him.

I want to speak to the amendment and to the reasons this government is bringing forward the changes to the Crow rate. These reasons affect not just the prairies but also the west coast. They affect the grain workers in British Columbia. They also affect railway workers.

Last year the railway bypassed British Columbia, bypassed the Vancouver grain terminals and shipped Canadian grain to Seattle. They shipped that grain to Seattle for trans-shipment overseas on a trial basis. The trial failed. Seattle grain terminals were not clean. They were full of pesticides. They were full of rodents. The terminals were filthy.

At a port of destination, Canadian grain, which has always had a reputation for being of the highest standard in the world was found to be unacceptable and certainly not up to its normal standards. This bypassing of the grain terminals in British Columbia was abandoned. The trial did not work.

It is passing strange that this proposal to cut the Crow rate comes on the heels of this experiment. One would not want to presuppose that this government would be at all mischievous nor would one want to presuppose that this government was even so together as to be able to come at an issue from a number of fronts at the same time.

Here we have a trial run to bypass grain terminals in British Columbia with the railway, affecting grain and railway workers. Then we have a proposal, a piece of legislation introduced in the House to cut the Crow rate. Now the grain and railway workers in British Columbia have been advised that there are discussions going on to develop a north-south transportation route for grain. Guess where the terminals are going to be. The terminals are going to be in Mexico.

Is it not funny that this government is racing to ram through a North American free trade agreement? It is not just all the other jobs we have been talking about fleeing Canada and going to Mexico, now we are talking about Canadian grain going through Mexican terminals to other ports of entry.

This is the rumour and believe me the workers are worried. They have not been able to verify all of it but they certainly have a lot of bits of information that lead both the grain and railway workers to believe that is the intent of this government.

If this is the plan of the government not only are we facing cuts in Crow rates and other impacts on the other industries in British Columbia, we are now facing Canadian railway workers being bypassed for American railway workers and Canadian grain workers being bypassed for Mexican grain workers.

Here we will have a situation.

• (1310)

We have no control over the cleanliness of the terminals. We just heard today during Question Period that it is a proven fact and the Mexicans are admitting that they have no control over the environment, no control at all over how many or what kind of pesticides would be used in those terminals in Mexico.

Put all these little pieces together and you start to see a picture of deceit and collusion and funny-headed thinking about what is good for Canada.

The hon. member for Thunder Bay—Atikokan said: "If the Government of Canada could negotiate with the Atlantic Provinces Transportation Commission for a better way to cut freight subsidies why, I would ask you, could it not negotiate with the Canadian public sector workers for a better way to cut costs than to freeze their wages arbitrarily as it is doing in this bill?"

Here we have a government which took the time to negotiate with the Atlantic Provinces Transportation Committee for a better way to cut freight subsidies and then arbitrarily introduced legislation to freeze public sector workers' wages. The government has a legislative responsibility to negotiate with them.

It brings in a piece of legislation and says: "Here it is, no wage increase for you folks for two years. We are off negotiating with other people; we do not have time to negotiate with you".

I would suggest that again we see in this bill on three counts this government abrogating its responsibility to Canadians: a responsibility to Canadian workers to negotiate their wages; the responsibility to the west and the jobs in the west, to negotiate Crow rate changes, not arbitrarily implement then, but negotiate them as they did with the Atlantic Provinces Transportation Commission.

The third is to arbitrarily kick the heck out of unemployed workers in this country who have no control over what the government has done to this economy.

I very much appreciate the opportunity to put these issues before the people of Canada and I hope the government will rethink this bill, particularly as it comes to the Crow rate prior to this bill being put to a vote.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is a pleasure for me to take part in this debate. It is possible that we should actually consider debate on this amendment today to be the Les Benjamin memorial debate because for those of us who were not part of the House of Commons before 1984, there is a legend which exists.

That is the legend of the great Crow debate, the legend which led to New Democrat members from every conceivable constituency across Canada standing up to speak out in favour of the Crow benefit for western farmers.

I will tell you that the legend lives in our caucus. There are people who have never seen a field of wheat, who have never been to Saskatchewan, who made passionate speeches during that debate. They made passionate speeches because of the leadership which the hon. member for Regina—Lumsden gave to our caucus at that stage.

This is the last term which that member will be here as part of our caucus, unfortunately.

I want, as I start my comments on this, to pay tribute to his contribution over the years to the New Democratic Party. I also want to tell people across this country that debate and that fight took place at a time when the New Democratic Party was down in the polls. In fact, it took place at at time when we were much lower in the polls than we presently are. It was one of the key ingredients that demonstrated yet again to the people of Canada that there is one party that will stand up for average Canadians. There is one party which will fight on behalf of people who are not privileged, who are not rich, people who have been picked on and betrayed throughout their history. That has been the New Democratic Party. That will continue to be the New Democratic Party.

• (1315)

The fight that the member for Regina—Lumsden led back in 1984 and which has passed into the history and traditions of our caucus will be something which will continually be a source of inspiration to all of us who are part of this caucus.

Some members in the Liberal Party say this is an example of the New Democratic Party defending the *status quo*. Let me suggest it is an example of the New Democratic Party defending solemn promises made to the people of this country. I know that is something that neither the Conservatives nor the Liberals understand, the notion of a solemn promise made by a government to the people.

The Liberal Party made a solemn promise to the people in western Canada that the Crow rate would exist forever. It is not surprising because it was a return for tremendous benefits, tremendous handouts given to the Canadian Pacific Railway. This was a tremendous giveaway in terms of tax, in terms of land, in terms of privileges of every sort. In return for that the Crow benefit was to be maintained in place forever, a sacred promise which the Liberals broke.

It was a sacred promise which they broke when they brought in the Western Grain Transportation Act, the WGTA. That too, though it broke a sacred promise, offered a new sacred promise, that there would be benefits paid to the railways to keep the rates for grain transportation down in the future for all western grain transported in perpetuity. It was a sacred promise.

The Liberals broke one sacred promise but offered another. The Conservatives raged against that broken promise of the Liberals in 1984. I hope I am not mistaken. I suspect they stood up beside the member for Regina—Lumsden and said: "It is terrible that the Conservatives have to stand up for these promises that the Liberal Party is so abjectly breaking". Today we have this same Conservative Party breaking that further sacred promise and making things even worse for the people who produce and sell grain from western Canada.

How much of this damage is going to be inflicted on western farmers? The estimated reduction in transportation subsidies is estimated at $73 million for 1993–94; $104 million in 1994–95.

• (1320)

The retiring president of the National Farmers' Union has estimated that for western farmers it means an increase in transportation costs and therefore a reduction in the amount of money which they will receive for their grain of from $2 to $2.50 per tonne. That is a major bite at a time when all of us in the House of Commons know that western farmers are being hammered. They are being hit as never before, with the possible exception of the 1930s.

In the 1930s it could be put down to problems with weather, at least in part. What is hitting farmers in western Canada now is damage which is inflicted by the policies of the United States with respect to the massive subsidies for grain exports which it has put into place.

Once again in the House of Commons there is just one party standing up and saying that the broken promises of the Liberals in 1984 deserve to be remembered and the broken promises of the Conservatives in 1993 deserve to be remembered.

We are talking about a betrayal of faith, which is being carried out at a time when the farming population is on its knees and the economic conditions for farmers in Saskatchewan, Manitoba and Alberta are as devastating and desperate as they have ever been.

I cannot understand the heartlessness with which these promises have been broken. I cannot understand the lack of compassion and economic sense which is involved in breaking these promises because everybody who analyses the history economically knows that when our farm communities in western Canada have done well, this country has done well.

I thank you, Mr. Speaker, for the chance to put these comments on the record. I hope the government will accept some of our amendments to eliminate some of the broken promises that it intends to put in place with respect to the WGTA.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I want to add a point in the debate regarding western transportation, the original Crow rate and the subsequent western grain rate that replaced it.

I want to explain why, as a person with no direct contact with grain farming in the west or even in Ontario, I feel very strongly on this point, along with the rest of the NDP.

I grew up thinking that I was growing up in an agricultural country, a country that produced food to feed its people and even food to sell to the rest of the world. In the last few years I have begun to wonder when I found that farmers are being forced off the land. It happened when I was a kid during the depression. It happened partly because of a massive drought in the west and also because, as one old farmer said to me bitterly, they were selling their beef at one cent a pound in the depression.

But it is happening again without massive drought, without a world-wide depression of the same sort, but with something like a depression, with deliberate restructuring of the economy of North America and other places by a few very powerful companies such as Cargill. These companies have great power to influence the decisions of government in their favour.

• (1325)

It is no longer certain that the land of Canada will feed the people of Canada. That might sound fantastic and ridiculous but for 15 years I have grown concerned about that when I learned Canada was exporting more and more beef cattle and hogs, and importing more and more sides of meat from as far away as Australia.

I began to wonder if we would lose the ability for Canadians to feed Canadians. Then I thought of what I had read about Cuba. In the 1950s in Cuba children starved. They died very young from lack of food because the good agricultural land produced one crop, sugar. Sugar was sold abroad to make rich the few people who controlled the sugar industry and to pay starvation wages to the Cuban people who worked to produce it.

That situation has changed. For the last 30 years Cuba has moved toward producing its own food. It should always have done that but it took a revolution by the Cuban people to bring in a government which would make it possible for Cuban people to use Cuban land to feed the people.

Mexico is a closer example. In the last 10 or 12 years the Mexican people have been eating less food. The consumption of food in Mexico has decreased by one-third. They eat only two-thirds as much food as they used to eat around 1980. This is not because the population has shrunk, if anything it has grown. But they eat less food.

One-third of the food they do eat is imported. What went before that was the gradual year by year destruction of the family farm, the *campesino*. The *ejido*, the communal lands protected by the Constitution, enabled a large number of Mexican *campesino* or farmers to produce the corn, rice, and beans they needed, plus a little over to sell to the people in the cities.

Those people are being forced off their land by changes in the Constitution brought about by Salinas at the direction of international capital so that the farmers will be pushed off their land. The Government of Mexico has reduced the subsidies to the farmers for irrigation, herbicides, pesticides and farm equipment. They can no longer compete with imported corn.

Corn grown in Iowa in the United States sells in Mexico for less than the price that the *campecinos* must charge in order to live because the United States subsidizes Iowa corn at $12 billion per year. This is more than the whole budget of the department of agriculture in Mexico.

• (1330)

Those farmers are being forced off their land in Mexico. Farmers are being forced off their land in Canada. It is not by drought or world-wide depression, but by the decisions of large corporations and by the decision of this government. This government is forcing farmers off their land by reducing the possibility of

farmers being paid what it costs to produce and sell wheat. It is forcing them to leave the land.

The beneficiary will be the great American-based corporations such as Cargill that will take over the land as corporation farms. Then they will be able to raise the price of wheat, flour and bread to anything they please in Canada. They will control the supplies in Canada. They will control the supplies that we can import from the United States or anywhere else. They will be able to push the price of basic food in Canada sky-high.

This government through legislation like this is giving them the opportunity to do this. This government is giving away the birthright of Canadians. It is giving away the control of our best farm land by raising the transportation costs the farmers must pay.

This government signed an unequal treaty with the United States which says that the United States can subsidize the Mississippi transportation system to 100 per cent and take Canadian grain down to New Orleans. But Canada cannot subsidize the transportation of grain through Canada to the west coast or the east coast.

One simple little gimmick does it. It is because the United States treats the Mississippi as a military installation, maintained by the U.S. Army Engineering Corps and therefore a subsidy is not a subsidy. However, Canada is prevented from doing anything similar.

It is clearly the United States which has directed the Government of Canada to introduce this disastrous law. It will have the effect of destroying a great many more family farms in Canada. Eventually Canadians will pay intolerable prices for the flour and bread produced. The price will be controlled from outside Canada by companies that have no interest in whether Canadian farmers can farm or whether Canadians can eat.

Shame on this government.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise to debate this very important topic. The member from Trinity—Spadina eloquently pinned it down in his speech. What we are talking about is the cost of food and the supply of food.

What could be more important? What could be more important to a country with a traditional agricultural past like Canada has? What could be more important for a country than to be independent?

I know the independence of this country is slipping away. People sense that. That is the problem the Conservatives are going to have in their leadership campaign. It will come up in their attempt to hang onto office. They are not going to make it because they have basically been giving away this country piece by piece and people sense that. People want new policies to protect Canada.

An hon. member: Liberal policies.

Mr. Waddell: My friend says Liberal policies. No, not Liberal policies because in this very issue talking about the Crow rate and transportation rates, I was in the House when the Liberals brought in the changes. They started it. I remember that debate well.

The member for Essex—Windsor paid tribute to one of our great colleagues here in the House, the member for Regina—Lumsden. I recall his leading us; he was leading the pack. We started as a dishevelled pack but ended up being pretty effective at the end of that debate. I vividly recall the debate and I recall the contribution of the member for Regina—Lumsden. He led the debate and taught me at the time a little bit about farm economics. For someone who represents a suburban riding in British Columbia that was important. There were a lot of details about the Crow rate. We went through all the details, up and down the details.

• (1335)

The thing that sticks in my mind is basically what the member for Trinity—Spadina was getting at. The member for Trinity—Spadina represents an urban riding, right downtown. What he was getting at is that we people from urban and suburban ridings have to understand that it is important to protect the family farm and farmers in Canada. If we do not it will mean in the long run that people from outside this country will control our farms and the price of our food. We cannot really have an independent country if we have that.

Before I leave the dastardly deeds of the previous Liberal government which started this problem, I did want to pay tribute, as the member from Windsor did, to my retiring colleague, the member for Regina—Lumsden, for his leadership in this issue and in other issues in this House, especially transportation issues. We used to call him "Boxcar Benjamin". That was a term of endearment because he would raise the railway issues all the time. They were important issues.

People will say to us: "New Democrats, the world is changing. It is a global economy. You cannot protect the *status quo*. You cannot do these things". At first it sounds good that it is a new global economy and we have to make changes in the old way Canada was operating. However, there is a limit to what those changes could be.

If we get rid of the family farm for big, corporate, foreign-controlled farms, we are not going to have control over future farming in Canada. People will say to someone on the west coast and this is happening now in the Port of Vancouver: "Well, we are just going to let some of that grain go down to Seattle or we will let some goods that are being shipped be picked up by trucks south of Alberta or south of British Columbia and connect it through that way. We will make it cheaper to go that way". Many of my constituents depend on the Port of Vancouver. Gradually what will happen is that those of us who depend on that port will see it decline. The lesson is this talk of: "Well, it is all in the global economy".

As the member for Trinity—Spadina pointed out, the Americans are subsidizing the Mississippi route, giving $12 billion to their farmers, more than the entire budget of the poor Mexican department of agriculture. Let us get into the real world and forget the propaganda.

In the real world one has to fight for survival and that is why Canada has been a great country. The Conservatives under Sir John A. Macdonald, a man for whom I might have even voted, he being a Scotsman, a lawyer, a good speaker and besides, the New Democratic Party was not around in 1867, had a national vision of Canada. He had a national policy. The policy was to link the east and the west. This government is de-linking it, making it north and south. Eventually it is going to join Canada with the United States. That is the agenda. That is the corporate agenda, to sell the country out so we will no longer have a country.

People wonder why NDP members get up and fight these battles. It is because we love Canada. We are getting into these fights in this battle over changes in the transportation subsidies and in the way we deal with our farmers in Canada.

• (1340)

People ask: "Why are you standing up to support the Canadian farmer? You are from the west coast". My answer is that the fate of my constituents on the west coast is tied to the fate of the Canadian farmers. Their survival is tied to the survival of my constituents and their jobs.

The New Democratic Party is the only party so far in this coming election to have put forward a job creation strategy. It is out there for everybody to see.

People are now focusing on a Conservative leadership on personalities or on the Liberals and personalities. I have been through one of those leadership campaigns. I challenge the members in the leadership to put out some policy so all Canadians can see it. Bill Clinton did that when he ran for President of the United States. He actually put out some policy. He said to people—

The Acting Speaker (Mr. Paproski): I would like to know what that has to do with this bill.

Mr. Waddell: I was getting to that. I am glad you asked that question, Mr. Speaker.

What it has to do with this bill is our attack on the provisions of this bill in withdrawing the transportation subsidies. I suggest that people look at these notes from the National Farmers' Union. The changes in this bill would be phased in commencing August 1, 1994 over a four-year period by increasing the farmers' share of grain freight rates by $5 a tonne annually for three years and bringing farmers to payment of full compensatory rates in the fourth year.

In fact, what the government intends to do is break the promise and trust of the farmers. It is going to break the family farm. It is going to attack those on the west coast in the Port of Vancouver and the transportation system there.

We in the New Democratic Party say no. There is an alternative. We have an alternative economic policy and we have an alternate transportation policy. We hope that this House and Canadians will look at these policies as a real alternative to this government which is selling out Canada and will destroy this country.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

Government Orders

Mr. Cid Samson (Timmins—Chapleau) moved:

Motion No. 7.

That Bill C-113 be amended in Clause 18 by striking out line 38 at page 7 and lines 1 to 3 at page 8 and substituting the following therefor:

"ment exists where any of the following circumstances applied to the claimant:".

Motion No. 8.

That Bill C-113 be amended in Clause 18 by striking out lines 31 and 32 at page 8 and substituting the following therefor:

"(*n*) formal promise of increase in wages or salary that was not fulfilled;

(*o*) unjustified reduction in wages or salary;

(*p*) loss in wages or salary due to employer's financial difficulties;

(*q*) wages or salary that are less than provided for by legislation;

(*r*) intolerable working conditions;

(*s*) unreasonable work requirements;

(*t*) moral objections to employer's practices that are contrary to professional ethics, the law or regulations;

(*u*) moral objections to employer's illegal activities or employer's activities that violate freedom of conscience;

(*v*) place of work distant from family and serious sickness in the family;

(*w*) exertion by employer of excessive pressures to retire;

(*x*) working conditions that, in the opinion of a medical practitioner, adversely affect the person's health;

(*y*) working conditions considered, on credible and convincing explanations by the claimant, as adversely affecting the claimant's health;

(*z*) long period of separation from family due to distance of place of work from family residence;

(*aa*) moving because of impending marriage;

(*bb*) decision to start a business or to become self-employed;

(*cc*) ceasing to act as strike-breaker;

(*dd*) refusal by employer to grant leave of absence for incapacity to work due to a difficult pregnancy;

(*ee*) refusal to grant leave of absence to take care of any adopted child;

(*ff*) need to attend a course of instruction on the recommendation of the Commission;

(*gg*) refusal to perform job duties on grounds of objections based on religious beliefs;

(*hh*) failure to re-enlist for a further term of service in the Canadian Forces;

(*ii*) abusive treatment from co-workers;

(*jj*) serious or unsolvable transportation problems;

(*kk*) in the case of a minor, having to move with parents;

(*ll*) intolerable living conditions related to employment, particularly with respect to accommodation, food or other physical aspects;

(*mm*) disciplinary action that is clearly disproportionate; and

(*nn*) such other circumstances as are reasonable."

• (1345)

Mr. Angus: Mr. Speaker, on a point of order. I wonder if you would have the name of the member for Mission—Coquitlam as a seconder of those motions of the member for Timmins—Chapleau.

The Acting Speaker (Mr. Paproski): Those motions of the member for Timmins—Chapleau will be seconded by the member for Mission—Coquitlam.

Mr. Cid Samson (Timmins—Chapleau) moved:

Motion No. 9.

That Bill C–113 be amended in Clause 18 by adding immediately after line 32 at page 8 the following:

"(5) A claimant is not disqualified from receiving benefits under this Part unless the Commission establishes, beyond any reasonable doubt, that the claimant had no just cause under subsection (4) for leaving the claimant's employment."

Motion No. 10.

That Bill C–113 be amended in Clause 18 by adding immediately after line 32 at page 8 the following:

"(5) For the purposes of paragraph (4)(*b*), "spouse", in relation to a person, includes a person of the opposite sex who has been cohabiting with that person in a conjugal relationship for at least one year."

Motion No. 11.

That Bill C–113 be amended in Clause 19

(a) by striking out line 11 at page 9 and substituting the following therefor:

"fied under paragraph 27(1)(*a*) or (*b*) or section 28, the"; and

(b) by striking out line 23 at page 9 and substituting the following therefor:

"ing of a disqualification under section 27 or 28".

Motion No. 13.

That Bill C–113 be amended in Clause 20 by striking out lines 32 to 46 at page 9 and lines 1 to 17 at page 10 and substituting the following therefor:

"disqualification is for such weeks for which benefit would otherwise be payable following the claimant's waiting period as are determined pursuant to subsection (2).

(2) The number of weeks of a disqualification under section 28 shall be:

(*a*) for a first disqualification, not less than seven nor more than twelve, as determined by the Commission;

(*b*) for a second disqualification, twelve; and

(*c*) for any subsequent disqualification, fifty–two."

Motion No. 14.

That Bill C–113 be amended in Clause 20 by striking out lines 3 to 16 at page 10 and substituting the following therefor:

"tial claim for benefit, the weeks of insurable employment before the week in which the event giving rise to the disqualification occurs, and the weeks of insurable employment in any employment that the claimant loses, after the event, shall be used for the purposes of subsection 6(2) or (3).

(5) The weeks of insurable employment mentioned in subsection (4) shall be used for the purposes of sub–".

He said: Mr. Speaker, the intention of this bill is that as a result of the Minister of Finance's economic statement, the Minister of Employment and Immigration will bring the expenditures of the bill under control. This is something that I very strenuously differ with. The expenditures of the Unemployment Insurance Commission are out of control, not as a result of the unemployed but as a result of the economic policies of this government.

The purpose of my amendments is to attempt to bring some sensitivity and some sense to the changes within the UI portion of Bill C–113.

There has been an awful lot of emphasis put on voluntarily leaving one's employment and relating that to just cause. For the record, I would like to read into the record the definition of the word voluntary. I got this definition from the dictionary. It says that voluntary is: "done, acting, able to act of one's own free will, not constrained or compulsory, intentional". That is the definition.

Given that definition, I do not think that there is anyone in Canada today who leaves his or her job voluntarily. Everyone has a reason for leaving his or her job.

The problem is that it is a good reason, but according to the commission and the act it may not be a just cause reason. The onus and burden of proving that just cause is on the backs of the unemployed.

We have at our disposal a document that I have called a "but book". It describes a situation in which a person has just cause to leave his or her employment, but there are many conditions that must be met. This "but book"

now has been transposed and it has been put into this grey bible that we received from the commission.

I would just like to refer to it for a moment as it pertains to the case of sexual or other harassment. It states, among other things on the page, and rightfully so, that harassment of any kind is unacceptable, whether of a sexual nature or otherwise, intimidation, threats, blackmail, abuse of authority or poisoned work environment, whether by superiors or co-workers. I agree with that whole-heartedly, but the part that follows is what causes me some concern.

• (1350)

This grey bible lists reasonable alternatives for an employee who is sexually or otherwise harassed to follow. That is where the problem lies. As an alternative, a person who is sexually harassed must speak to the employer. If that employer happens to be the person who is doing the harassing then how can this employee be expected to face that employer? If the employer is despicable enough to be sexually harassing an employee how can that employee in all good faith go to that employer and say that the employer has to stop it? That will only cause more harassment.

People must explore the possibility of a transfer to another unit. If the employer is the person who is causing the harassment does anyone think for one minute that the employer is going to be willing to transfer people, to say that they are right, he has been harassing them so he will transfer them to another unit. Does anyone really think that is going to happen? I do not think so.

They must seek assistance of the union or association. They must follow the grievance procedure. They must use the provisions of the collective agreement. They must go through all of this process prior to proving just cause.

On the same page, under the title of Just Cause, it says: "No other reasonable alternative to quitting. Existing reasonable alternatives cannot resolve the situation. The harassment is intolerable for any period of time. Not necessary to undertake or to await the result of a tribunal hearing in respect to the employment or human rights". That last part causes some problems not only for me but for the agents who are hearing the evidence put to them as it relates to just cause for sexual harassment. It is not necessary to undertake or await the result of a tribunal hearing.

When we look through this grey bible we can see that every section relates to what the claimant must do. I would like to relate some of the cases for applying just cause. There is a case of an employee who is 18 years old and is being harassed by her employer to do more work. She must tolerate shift changes on very short or no notice at all. The claimant worked from 11 p.m. to 7 a.m. in a gas station. She worked from 3 p.m. to 11 p.m. in the kitchen and she worked from 6 a.m. to 2 p.m., also in the kitchen.

The case is too long to read all its parts, but the point is, and it is not the only part that involves this case, it is a matter of this employee not having the ability to even correspond with her employer. She tried to speak to the employer but he was not there. She tried to speak to the kitchen manager but that person was not there on numerous occasions, so she finally had to tell her co-worker that she was leaving.

The adjudicator or the agent who saw this case said that this employee did not have just cause for leaving her employment and as a result disqualified her for nine weeks and reduced her benefits to 50 per cent.

When we look at numerous cases and talk about people leaving their employment for various reasons one wonders, when we talk about the jurisprudence and we talk about the 40 just cause reasons, as the Prime Minister and the Minister of Employment and Immigration referred to them, we can cite time after time various cases in which people have been harassed.

• (1355)

Here is another one. It concerns a 45-year old woman. The agent says: "According to the information presented with your claim for benefit you voluntarily left your job without just cause. You are therefore disqualified from receiving UI benefits for seven weeks and you will get a reduction in your benefits to 50 per cent".

If we look at the evidence there are three and one-half pages of written testimony from this 45-year old woman who was sworn at and told that she was despicable and did not know how to dress properly. She was put under such stress that her blood pressure soared to 220 over 150. She was told if she did not quit she was headed for a stroke or maybe a heart attack.

There is half a page from the employer that says: "In closing, I feel the remarks made about myself go beyond the sour grapes of a disgruntled employee and I will be forwarding a copy to my lawyer for an opinion on my legal rights".

This is clearly a case in which an employee made a claim to an agent and said: "I had to quit, I have no other recourse". The information was made available to the employer, and now the employer is going to seek legal action.

To add insult to injury, this woman lost benefits for seven weeks and her benefits were reduced to 50 per cent. Is that just cause? What determines just cause?

When we talk about the problems that exist today and when I look at legislation, I look for legislation that will make things better for people, that will do what it is supposed to do.

Allow me to quote a letter from the Attorney General addressed to myself dated March 5, 1993 in keeping with what I have been saying, which is that the decisions by adjudicators, by agents are inconsistent and that the 40 reasons of which we have heard are not being applied. Mr. Speaker, please allow me two quick remarks on that point to emphasize what I am saying.

The Attorney General says: "In paragraph 3.188 of the 1991 annual report we further reported that penalties were still applied inconsistently". He goes on to say: "As you can appreciate the application of penalties requires close monitoring and as such is an ongoing concern of the commission".

I also have a copy of a letter that was addressed to the chairman of the legislative committee that heard our arguments in regard to this legislation. It is from an employee representative on a hearing commission. In the letter this officer states: "I have heard reference to 40 reasons that will be allowed. I do not know what they are and if 40 reasons are contemplated then the public has a right to know what you are considering and I request a copy".

Mr. Speaker, I know you are being very generous and I appreciate that. My point is that my amendments would include those 40 reasons in the legislation, and would include a common law spouse. I am told the policy is that they are accepted, but it is not in the legislation.

My amendments are friendly amendments. In the strongest terms I urge everyone to support these amendments and I do thank you for your indulgence, Mr. Speaker.

[*Translation*]

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I welcome this opportunity to comment on the motions presented by the hon. member for Timmins—Chapleau.

I would like to consider these motions one by one and comment accordingly. Motions Nos. 7 and 8 standing in the name of the hon. member are actually an attempt to expand the definition of just cause. This definition is found in clause 18 of the bill. Although there is no objection to the motion as such, the motion is unnecessary because the 13 reasons listed under clause 18 of the bill already cover the vast majority of the additional reasons proposed by the hon. member. I will remind hon. members that paragraph 28(4)(n) of clause 18 allows for prescribing regulations, which could easily serve the same purpose as the changes proposed by the hon. member.

• (1400)

Finally, all the reasons proposed by the hon. member are already part of the jurisprudence and, as such, are binding on the commission's officers, who must take these into account when making their decision. Unemployment Insurance officers cannot ignore the forty or fifty reasons recognized in the jurisprudence when they make a decision on the eligibility of a claimant.

Mr. Speaker, I would now like to comment briefly on motion No. 9. It would require from the commission a standard of proof applicable to criminal cases "beyond any reasonable doubt". I may remind the hon. member that the Unemployment Insurance Act is social legislation, not criminal legislation providing for punishment, as does the Criminal Code. That is why I cannot support this motion.

Motion No. 10 proposes to include in the Unemployment Insurance Act a definition of the term spouse that adds the concept of common law spouse. I admit that the principle which inspired the hon. member for Timmins—Chapleau is sound, but I cannot support this motion

because it is not entirely necessary. Practically speaking, people who have lived together for at least one year are already treated as spouses according to UIC policy. In this respect, I may refer the hon. member to page G-45, chapter 6 of the guide. I would be delighted to send him a copy if he is interested.

I will now consider motions Nos. 11 and 13. There are two objectives here: first, to reinstate the system that existed prior to Bill C-113, and second, to introduce a three-stage disqualification system which would be based on the claimant's record of disqualification.

Even if these motions did not exceed the scope of this bill, I would object in any case, since the government has made it clear that individuals who leave a job voluntarily and without just cause should not have access to unemployment insurance benefits. These two motions would destroy the principle of the bill, and this of course means they are entirely unacceptable.

Finally, Motion No. 14 would provide that individuals leaving a job without just cause would be able to use the weeks of insurable employment preceding their voluntary departure to qualify again for benefits. This motion would lead to situations where individuals would leave a job without any penalty whatsoever. You will understand why the government cannot accept this motion.

As for the matter raised by the hon. member concerning sexual harassment, there are a few things I would like to say. The only reasonable alternative does not mean that the employee must speak to the employer if she is harassed. That would only be the case if the harassment came from someone else. It means the employee must at least make an effort to correct the situation, if at all possible. In some cases, the individual will not have to speak to the employer.

• (1405)

When there is just cause, there is nevertheless a procedure that says the employee must make a reasonable attempt to correct the situation. This applies to all cases of just cause. An attempt must be made at one's place of work to correct the situation. If that is impossible, then there is just cause because the situation cannot be changed. This also applies to sexual harassment.

In concluding, I would like to go back briefly to the motion which deals with the definition of common law spouse. I repeat, the principle which inspired the hon. member has great merit, but in practice, unemployment insurance officers have specific guidelines that provide that a common law spouse is to be treated as a spouse in the meaning of the Unemployment Insurance Act. Therefore it is unnecessary to have a debate on an amendment that is redundant and unnecessary, since in practice, the treatment of these cases is already fair and equitable.

[*English*]

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I thank you and I thank the member for Timmins—Chapleau for his amendment.

We have heard debate on both sides of this amendment. I want to put this amendment in the context of the bill and give a few ideas I have dealing specifically with the amendment but also with the bill in general.

What we are talking about here are changes to the UI program which are included in Bill C-113. These were first proposed by the Minister of Finance on December 2 here in the House of Commons. The changes involved the following: That the new UI benefit rate for new beneficiaries would be reduced from 60 per cent to 57 per cent of insurable earnings as of April 1, 1993, which is just a few days away; second, and this is the contentious issue, that people who voluntarily leave their jobs without just cause, as defined by section 28 of the UI Act, or lose their jobs through personal misconduct will no longer receive UI benefits.

Let us put that into the context of the state of the UI fund. You will see what effect it is going to have. There are a few people in this House and in Canada who know that the unemployment insurance program is the federal government's single largest expenditure for 1993 of almost $22 billion.

What does that mean? It means that more money is spent on the UI program than on national defence, Old Age Security or the total administration of the federal government. That is what we are dealing with here today.

Before 1990 the federal government's contribution to the UI fund was about 20 per cent. In 1990 the government decided that general revenues would no longer contribute to the UI fund. How was it going to do it then? The fund was going to be financed by UI premiums paid by employees and employers.

How did it raise all this money? These premiums have been raised since 1990, first by a 24 per cent increase in July 1991 and then by another 7.1 per cent increase in January 1992. Revenues collected from these premiums totalled almost $18 billion for 1992-93. Despite such revenues the cost of the program has climbed $7 billion since 1990.

Why? It is due in large part to an unemployment rate which has gone from 8.1 per cent in 1990 to 10.3 per cent in 1991 to 11.3 in 1992. I think in fairness that we have to say that this could be directly attributable to the policies of the present government. Because of the steadily rising UI costs the UI fund is in a deficit position. The cumulative deficit is $4.9 billion.

• (1410)

With that as a background, just what effect will the changes in Bill C-113 have on the UI fund? Surely if we are going to make changes they will tend to clear up the deficit. Let us have a look at some of the figures.

The government expects that cutting the benefit rate from 60 per cent to 57 per cent and eliminating UI benefits for voluntary leavers and those who are fired from their jobs will save a total of $2.5 billion over two years. Nonetheless, even with these cuts the deficit in the UI fund is expected to rise to $7.6 billion by the end of 1993. That is up from $4.9 billion now, as we speak.

It is clear therefore that the effect of the changes in Bill C-113 will be negligible. If the purpose of the government in introducing these changes was to control spending as was stated by the minister in December 1992, it can be said in fairness that the government has failed.

We have to ask another question. What effect will these changes have on Canadian society? It has been shown that the measures proposed in this bill will not reduce or even contain a deficit of the UI fund. It is also clear that the changes do not target cheaters and by going after quitters the restrictions are aimed at a relatively small section of the UI recipients.

It is safe to say therefore that the government in this instance is simply cutting for the sake of cutting without any all-encompassing vision of what the UI program should be doing and without any idea of how the program could be made to work better.

The stated purpose of hunting down and punishing quitters is nothing more than a convenient fiction used to distract people from the real issue. The government does not know what to do about Canada's unemployment crisis and that is the real problem. Unfortunately the price to be paid by society in general for these relatively inconsequential and ineffective cuts could be quite high.

In 1990 the government enacted the latest UI restrictions and thousands of families were thrown into poverty. The percentage of unemployed workers covered by the program dropped from 70 per cent to 58 per cent. Where did these people go? They had to eat. They had to live some place. They had to keep their families going.

If the proposed changes in this bill become law those people no longer eligible for unemployment insurance will have to turn to the already overtaxed welfare system that is for the most part covered by the cities.

The Conservatives, this government, have clearly decided to attack the unemployed rather than attack the scourge of unemployment. Under this proposal Canadians will bear the burden of proof in establishing their just cause for leaving their jobs.

In 1986 I recall the Conservatives established the Forget commission which presented recommendations which would have gutted the UI system as we know it. However, even Claude Forget, the head of the study questions the Tory measures calling them "a political miscalculation and economically just an empty gesture, a waste of time and of political credibility".

Not even their ideological soul mates are with the Conservatives on these measures. The measure dealing with just cause will discourage legitimate complaints about sexual harassment and substandard working conditions.

Immigrant women and non-unionized workers will be even more vulnerable at the work place as a result of these changes. The government should not support measures which chain a worker to a particular job regardless of the treatment received from an employer. This is Canada. This is 1993. We are not at the stage where we used to have people come over in servitude. Surely in this day and age we can be a little more compassionate with our Canadian confreres.

• (1415)

The UI program is designed to provide income replacement and to promote labour flexibility and mobility. Many people will be discouraged from seeking better employment opportunities for themselves given this punitive and Draconian measure. Many workers will be forced to stay at low paying and dead end jobs. Is that what we want for our Canadian workers? I suggest it is not.

If this legislation passes the UI system could find itself buried under an avalanche of appeals, literally hundreds of thousands of appeals. In 1991, 191,000 UI applicants were held to have quit their jobs without just cause and were penalized. About 19,000 of these rulings were reversed. Why if everything was so fair and above board?

Resources of the department are stretched in dealing with this level of appeals. It is ludicrous to believe that a department could cope with 190,000 appeals. Should it attempt to do so? It is entirely likely the standards of just cause will be applied in an inconsistent and arbitrary fashion.

I remember the police, the squealer police or whatever they are called. If we thought our neighbours were doing wrong we would call the police: send in the cops and make sure they were punished and penalized for losing their jobs or leaving a job they could not stand.

We have come a long way since 1984. A 1991 Economic Council of Canada report found that people who quit their jobs were not a drain on the UI fund. In an analysis of 1986 the unemployed figures show that half of all job quitters went to another job immediately. Another 43 per cent found new jobs within 10 weeks. By contrast, one in five persons who lost their jobs found work immediately and another 50 per cent had found work within 10 weeks.

I know that time is running short. I want to leave this thought with the House. The people of Canada want to work. They want good paying jobs to support themselves and their families. I suggest to the House that if this bill is passed it will call into question the honest, hard working people of Canada who in a time of need had the Government turn its back on them and literally throw them on to the welfare rolls.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, shame on the government. It is sad to say we are debating a bill that does not have one redeeming factor.

As I said earlier when I spoke on the bill, not only does it attack unemployed workers when they are down, when they are hurting the most, when they are faced with double digit unemployment, it attacks Public Service workers who work for the unemployed in unemployment centres. We have workers who for economic reasons, because of failed economic policies of this government, are unemployed and on unemployment insurance. They are now being penalized, harassed and threatened. They are guilty until they can prove their innocence. We also have public sector workers whose wages have been frozen, who have to work in understaffed UI centres and somehow have to accommodate and work with angry unemployed workers whose benefits are being yanked back by the government. We have two sets of workers this government is managing to mesh into one piece of legislation.

• (1420)

I want to address most of my remarks to the additional clauses introduced by the UI critic for my party, the member for Timmins—Chapleau, concerning legitimate just cause. The hon. member pointed out that the government had touted 40 reasons why one could quit a job but in fact spelled out less than half of them in the bill. Why would that be? Are 27 of the reasons secret? Do we have secret reasons and public reasons? Why would the government not have included all 40 reasons in the bill rather than only 13 of them?

An hon. member: A lucky number.

Ms. Langan: Lucky number 13 is not so lucky for the workers of Canada, but maybe the government figures it is a lucky number.

I want to address some of the reasons the hon. member has added in his amendment, such as a formal promise of increase in wages or salary that was not fulfilled. Formal promise is equal to a contract. If somebody breaks a contract is that not just cause for leaving the work place? Or, are we setting up a situation wherein the government is providing a scenario so that the employer can now renege on agreements and know that the worker cannot make a move because the worker will not be able to collect unemployment insurance if the employer does not live up to his end of the agreement?

The second reason that the hon. member has in his amendment is unjustified reduction in wages or salary. That is not just cause for leaving a work place, a wage cut. A worker goes to work with a commitment that he or she will receive certain compensation for doing that work. Now the scenario is that an employer can say arbitrarily: "You will take a wage cut. You have nowhere to go because unemployment insurance is cut off for you". Shame.

Loss in wages or salary due to the employer's financial difficulty is another reason. What can the employer do if he or she has financial difficulty? There are several remedies the employer could seek. The employer could seek funding from financial institutions. The employer could seek bankruptcy. It is not pleasant but it is available to an employer. An employer could in fact cut workers' wages. What does the worker have to do? The worker has no options because he or she is caught again by this bill which leaves him or her guilty of something if he or she withdraws his or her labour.

Intolerable working conditions, unreasonable work requirements, wages or salaries that are less than provided for by legislation, or an employer who does not pay minimum wage are other reasons. A worker has to stay there and work because the government says that worker has no right to unemployment insurance. It is shameful.

Moral objections to the employer's illegal activities or employer's activities that violate freedom of conscience are not cause under the Unemployment Insurance Act for quitting a job. Place of work distant from family and serious sickness in the family are not causes under the Unemployment Insurance Act to quit a job.

Exertion by employer of excessive pressures to retire is not cause to collect unemployment insurance any more. In this economic climate many employers are putting pressure on older workers to retire.

Working conditions that in the opinion of a medical practitioner adversely affect the person's health are not cause under this bill to quit a job. Shame. A doctor says this job is going to kill you but this government says you have to stay in it because it will not give you unemployment insurance while you seek another job. It is shameful.

Working conditions considered on credible and convincing explanations by the claimant as adversely affecting the claimant's health are not just cause. Again, too bad about the employee's health. The government says the employee has to keep working and cannot collect unemployment insurance.

• (1425)

Long periods of separation from family due to distance of place of work from family residence is not just cause. This is a country where we have all kinds of industry with camp living: fly in and fly out. Marriages can hardly survive. They have very tough times surviving because the workers have to leave home for long periods of time. We could even say that for members of Parliament. We know about fly in and fly out work conditions and how tough it is to keep the family together. But it is too bad for workers. It is not just cause to leave a job to try to save a marriage, to save a family, and be at home with kids who are having problems. Those are not just causes under this government legislation.

If the government really thought about the conditions being created for Canadian workers and what it was really saying to Canadian workers, after sober reflection it would probably withdraw this bill with a whole bunch of shame. The government's attitude is: if you quit your job in this country you are a cheat; if you quit your job in this country you want to go skiing; if you quit your job in this country you are lazy or if you quit your job in this country you are guilty until you are proven innocent.

If that is what a Tory Canada is all about, I would suggest the government had better hasten its way to the electoral ballot box. I do not believe most Canadians

think this is what our Canada is about. I suspect there may be a change of heart when the election comes and the government finds itself with a bunch of amendments as it sits in opposition. Then we will amend this bill so the workers of Canada are treated with dignity and respect and are innocent until proven guilty.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, I would also like to talk about men and women who have left their jobs voluntarily and about the fact that this bill proposes they should not receive any unemployment insurance benefits if they left without a good reason.

[*English*]

What I have discovered in discussing this bill and the new penalty provision with many of my constituents is that the presentation of the issue, I suppose particularly by the minister, has resulted in a great deal of misunderstanding among the general public about what the existing rules are for unemployment insurance in the event people leave their jobs voluntarily without just cause.

The minister through his rhetoric has managed to convey to many Canadians the notion that lots and lots of people are quitting their jobs, that this fact is causing a large expenditure of public money, and that unless this bill is brought in these people will simply get UI without problem and very easily.

Many constituents to whom I have spoken have the notion that people who quit their jobs voluntarily are not at the moment subject to any penalty for doing so. That impression in itself is not correct. The existing law provides for a penalty of a minimum of seven and a maximum of twelve weeks without benefits in the event of somebody quitting a job without just cause.

Surely the starting point is that Canadians need to understand this is a phenomenon subject to penalty already and it is not necessary to have this particular bill passed to penalize people who quit their jobs without just cause.

The second notion is that these quitters are causing a major drain on the fund. It is important to understand that the number of people who actually quit their jobs is relatively limited and has been declining over past years. In fact the number who quit their jobs at the peak of the economic cycle in 1988 was much higher than now. This reflects the fact that people do not quit their jobs readily when they know times are tough. They may be more inclined to do so when they are better able to find another job. According to a 1991 Economic Council of Canada report, about half the people who quit their jobs voluntarily do so to go to other jobs. About 43 per cent of the remainder find new jobs within 10 weeks.

• (1430)

We also know, according to the Economic Council of Canada, may it rest in peace, only 1.5 per cent to 1.7 per cent of the unemployment rate consists of people who left their jobs voluntarily. The notion that this is the remedy for the UI deficit is ridiculous. That is just not the point.

The next thing I want to raise so people understand is that the existing system of a penalty of seven to twelve weeks where people quit their jobs without just cause provides, for the adjudicator of unemployment insurance claims, the ability to weigh the merits of the reasons for quitting their jobs, consider their credibility in making the statements made for giving reasons, and judge what the appropriate penalty should be.

When people come in and say they are applying for UI benefits because they quit their jobs, the first stage is to determine whether or not they had just cause. The second stage is if they did not have just cause, what degree of penalty is appropriate in that case. That is the existing law. When the UI law was initially reformed in a major way in 1971, the penalty for quitting a job was one to three weeks. It was later increased to a maximum of six weeks. It was then increased to a minimum of seven and a maximum of twelve.

Although it changed throughout that period of time, there was always a discretion involved in determining what the appropriate period of disqualification was.

This bill has made a major change in that, not just by increasing the extent of the penalty but by narrowing the discretion to one which must be exercised either in favour of the claimant by saying yes this person quit with just cause, in which case no penalty is applicable, or at the other extreme this person did not have just cause and the penalty is no benefits whatsoever. It is sort of the capital punishment of unemployment insurance penalties.

The essence of mitigation, of figuring out whether somebody took appropriate steps in the circumstances, or tried to but gave to the insurance officer an ability to use some discretion, is lost. To my mind it entirely undermines a system on which years of jurisprudence have accumulated in determining what is just cause and what is the appropriate degree of penalty that should be meted out to somebody who quits his or her job.

I did not bother to bring in the decisions of the unemployment insurance umpire and the Federal Court on this issue. It is sufficient to say there is a large range of cases that have dealt with issues of voluntary quitting or dismissal for misconduct and determinations made as to what the appropriate penalty was.

What we do know is that under the existing system in which the penalty period is a range of weeks of disqualification from seven to twelve, the average penalty given to people who are found to have quit voluntarily without just cause is just over eight weeks. In other words, the average penalty is close to the minimum one.

• (1435)

It reflects the fact that adjudicators under the Unemployment Insurance Act, in considering whether people have just cause to quit, usually come to the conclusion that although they did not have sufficient cause to quit, they did have good enough reasons to lessen the degree of penalty being prescribed. Even with that there are a lot of appeals.

Consider this point. Put yourself in the position of the adjudicator of an unemployment insurance claim for leaving a job voluntarily. Your choice as adjudicator is this. Does this claimant get benefits or no benefits, full benefits or no benefits? Under this bill that remains to be the choice.

I suggest that most adjudicators, if they can find a shred of justification for people quitting, are probably going to give them benefits. I know this may even differ from what some of my colleagues have said.

Even looking at it from the point of view of the government's attempt to justify this on fiscal grounds, it just does not make sense. If they lean the other way and refuse benefits, because the penalty is that severe they virtually ensure that there will be an appeal.

I tell you, Mr. Speaker, in the unemployment insurance administration the processing of appeals is a very expensive one because a panel must be brought together. The panel members are not regular employees of the Unemployment Insurance Commission. They are paid a fee for the day. They have to be given briefs of what the law is. They have to be given all the facts of the case. By creating this mechanism, the government has stood fiscal responsibility on its head.

Why has the government done that? Other than out of sheer stupidity, I suggest it is because in fact we are right. It is trying to go out and appeal to a right wing constituency in Canada by misleading them into thinking that there are thousands and thousands of people quitting their jobs without just cause and it has to put a stop to that. It is not true.

What the government is doing is fiscally irresponsible. It is unfair, it is unjust, it is against the traditions of our system of justice, it is wrong and it should be stopped.

Ms. Langan: Mr. Speaker, a point of order. I rise with hesitation to ask a question and seek guidance on this. Is it appropriate for a member of the legislative committee on this bill to be sitting in the chair during debate on this bill? I am seeking guidance of yourself or the Clerk on this.

The Acting Speaker (Mr. Soetens): I guess I can only respond by saying I was asked by the Speaker to fill in for a few moments while he left the chair. He advises me that he will be back shortly. All I can suggest to you is I will reserve an answer on that. The Speaker has returned and I will suggest to him that somebody has raised this point of order and I will leave it up to him to respond.

The Acting Speaker (Mr. Paproski): Really there was nobody else to come and occupy the chair but the hon. member. I thought it would be appropriate for him to sit here a couple of minutes.

Ms. Mary Clancy (Halifax): Mr. Speaker, I am of two minds rising to speak on this bill this afternoon. On the one hand I am as always delighted to partake in debate here. On the other hand, I really am sick at heart at what has been done to the working people once again by their government.

• (1440)

I have some notes on this bill and in black print above the second list of notes are the words "guilty until proven innocent". Those words are the complete antithesis of our belief in law in this country.

We refer to the problem of a person before our courts who is considered guilty until proven innocent as the reverse onus. That reverse onus has in a number of cases before the Supreme Court of Canada relating to the criminal law been thrown out, so far, I might add, that it has bounced into obscurity. In Bill C-113 we are right back to a reverse onus against the people who are least able to defend themselves.

It is a reverse onus against workers who will be thrown out of jobs, who have no money and no back-up, who cannot afford recourse to lawyers. Because of other cuts by the government, the legal aid offices in this country from coast to coast to coast no longer take the kinds of civil cases these amendments would engender. It is a disgrace and a scandal.

I cannot believe people good and true on the government side of the House can support this. I cannot believe first and foremost the scam that is being perpetrated on the people of Canada with regard to the whole question of sexual harassment under this bill.

This week we have had a number of questions in this House put to the members of the government on the question of sexual harassment. I have heard time and again from the Minister Responsible for the Status of Women, the Minister of National Defence, the Minister of Labour, the Minister of National Health and Welfare, the President of the Treasury Board and again and again from the Prime Minister, and what have I heard? I have heard the words that this government has zero tolerance for sexual harassment. Well, talk is cheap. Words are pretty. Actions are what we need here, action that proves that sentence.

Now, my learned and dear friend from Cape Breton Highlands—Canso just said, and I am going to quote him: "What this government has," and I agree with him, "is zero tolerance for Canadians". Very soon Canadians are going to have zero tolerance of their own.

The whole question of this bill *vis-a-vis* the question of sexual harassment has snowballed to the point where women and men of goodwill are asking: "What is the government doing?"

Time and again the situation has been explained by members on this side of the House to the minister of employment, the Prime Minister and the Minister Responsible for the Status of Women. It is as if ears are filled with wet cement. They are not hearing what we are saying and if they are hearing, they certainly are not understanding.

Mr. Samson: The cement goes deeper than that.

Ms. Clancy: True. The hon. member for Timmins—Chapleau says the cement goes deeper than that and he is right. This is a very serious matter, this question of sexual harassment and how it is affects women in this country.

Years ago, between 1980 and 1984, I chaired the Unemployment Insurance Appeal Board in Halifax. I sat several days every month and listened to cases brought by working people who had been disqualified and penalized for a period in those days of from four to six weeks from receiving their UI benefits.

I discovered we had a very stringent bill and if people left their employment voluntarily, you were disqualified for a severe period of time. Eventually, as a result of the insurance nature of the scheme, the disqualification ended and they did receive benefits for a certain period of time.

• (1445)

The hardest thing to prove at that quasi-judicial committee was just cause in a voluntary quit. Now it is even more crucial that just cause be given the widest possible interpretation because women who claim they have been sexually harassed will have to prove it on the balance of probabilities or they will lose all their benefits. They will be disqualified and disentitled.

The same goes for other people, men and women both, who quit for other reasons. The onus will be on them to prove it.

The second problem is that the employer, who can be the best witness of a voluntary quit and just cause, is not compellable to these hearings. He does not have to come and testify. There is no power of subpoena. How are we going to get him there? Sorry about the pronoun but in most cases it is going to be a him.

What are we going to do? We cannot bring this person by compulsion to these hearings. We have a woman, in most cases, who probably makes $20,000 a year so she cannot afford legal representation. Legal aid offices are not taking cases like this anymore because of cutbacks from this government and other governments across the country.

The whole question of sexual harassment is very embarrassing and painful to a woman in the first place. She goes in and says she quit her job because her boss poisoned the work place or said that if she did not sleep with him, she would not get this promotion or would be fired, any one of two dozen possible scenarios that come under the realm of sexual harassment.

She gets to someone in Employment and Immigration Canada who says she has to prove it, and the civil burden of proof is on the balance of probabilities. It is not as strong as beyond a reasonable doubt, which is the criminal burden, but it is still a heavy burden that must be discharged and there is no help for her.

Over and over again I listened to the minister of employment say that sexual harassment is grounds for just cause. It may be just cause on paper but what about in practice? Practice is what we are dealing with.

I would be delighted to hear from any member of the government, from the minister of health on down, a scenario in which someone in that situation proved a just cause in a voluntary quit.

I would be happy and delighted. I promise I would eat crow from one end of this nation to the other. I would be happy to do that if anyone could show me a case in which a woman was able to prove just cause given the situation I set up: with a boss who is not compellable, with an Employment and Immigration Commission that says the burden of proof is on her, and with no recourse to legal counsel which is where most of them—

An hon. member: Oh, Oh.

Ms. Clancy: If the minister would like to answer my question I would be delighted to hear him say it. Ah, shrug. Nice to see you.

I would be delighted to backtrack on this. I say here I will backtrack if anyone can show me a case in which a woman was able to prove that in those circumstances, because sadly I know that is not possible. Sadly, if it is not possible now how much worse does the whole thing become when Bill C-113 becomes law and women are disentitled right off the top?

• (1450)

In a nutshell the problem is this with regard to sexual harassment. There is not a woman in the world who does not know what we are talking about. I have never had a problem explaining sexual harassment to a woman. I met with all sorts of groups yesterday and every time I talked about it the nods started. Women of good faith who were being honest, and in most cases they are.

There are two kinds of men. There are the men who indulge in this kind of activity. They do not want any more publicity about it so they deny it. Then there are the other men who are the majority of those who sit in this Chamber. They are good men who want to do the right thing, regardless of political affiliation. I believe that of the 295 of us, of the 255 men, the vast majority want to do the right thing. I believe that. I do not think I could stay here if I did not believe it.

The difficulty is that the whole question of sexual harassment is so foreign for most men that they cannot believe anybody does it. Gentlemen, we are here to say that it happens all the time. It happens everywhere.

I see my time is up. Let me just end with a plea. This bill is going to make it worse.

Ms. Langan: Mr. Speaker, on a point of order. I would like to seek unanimous consent to move:

That Bill C-113 be amended by deleting Part I, the Public Sector Compensation Act portion of the bill.

The Acting Speaker (Mr. Paproski): Does the hon. member have unanimous consent to move the motion?

Some hon. members: No.

The Acting Speaker (Mr. Paproski): I regret, there is no unanimous agreement to put the motion.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am glad of the chance to support the hon. member for Timmins—Chapleau on his motion in this matter because it is a very serious attack that is being made on a large number of working people in this country, hundreds of thousands by the government's statistics and many more than that potentially or by threat.

Working people are to be denied the unemployment insurance they have paid for if they quit under circumstances they consider justifiable, perhaps even under circumstances listed in the law but which they cannot prove because the rules by which they have to prove it are loaded in favour of the employer who may have forced them into quitting.

Some years ago I heard it said by a lawyer, who in fact was minister of justice in a provincial government, that union members are second class citizens in this country because they are the only ones who can be sent to jail for not working. If a doctor does not work or if a banker does not work they do not go to jail. A union member can.

At first I was surprised. Then of course I saw it happen. I remember what Jean-Claude Parrot said about his experience. He said: "There seems to be two kinds of laws in this country. When the RCMP illegally opened the mail the government passed a law to make it legal. When workers legally go on strike it passes a law to make it illegal".

This law does not apply only to union members. It applies to all employees and potentially threatens every employee with being starved for lack of unemployment insurance if he or she takes the risk of quitting for what he or she believes is just cause.

• (1455)

The basic reason for that, which others have mentioned but which deserves to be emphasized again, is that the burden of proof is on the worker. It is not on the employer nor on the unemployment insurance system. He or she must prove by rules that have not been clearly stated what it was that gave grounds for quitting. In fact that person is guilty until proven innocent. Unless it can be proven that the person is innocent of the offence of quitting without just cause, then that person is treated as guilty.

This is in reverse of the general way the law is applied in our country, but there is a precedent. It is not applied to Canadian citizens or Canadian residents. It is applied to someone who has come to Canada and applied for refugee status. That person is treated from that moment as though he or she were a criminal or at least a violator of the Immigration Act. This would be until months or years later as the law drags its course and that person can prove that he or she really was a refugee and therefore was not to be held guilty for entering the country without a valid visa.

In other words, the government tried it out first on people who were in Canada without the protection of either citizenship or Canadian residency. Having made it work there in the sense that it got away with it, the government is now trying it on every Canadian who is employed. If you quit you are guilty, unless you can prove you are innocent.

There are no clearly stated rules adopted by Parliament by which that is to be decided as there is in the case of criminal law. There are rules which can be changed at will by the cabinet. They may or may not be fully published. They may be left vague. There is nothing that the public, nothing that Parliament can do about those vague rules.

The person is deprived of income from the word go without anything to live on. This is until the person is able to prove he or she is innocent of quitting without due cause. This may be after months without legal aid.

There is no time limit for the UI system to give a decision. The UI system is not losing money. It is the worker who has to live without money. The unemployment insurance system does not care whether it takes two weeks, two months or two years to give a final decision on an appeal to an umpire.

I have a letter concerning a constituent in Trinity—Spadina. It is a very concise statement of her problem written by a person on her behalf. It reads:

"This person quit her job in November 1992. Her boss was an alcoholic and was verbally abusing her. She had 18 former employees as witnesses. Her claim was accepted at the unemployment insurance office; she was not penalized at all.

In January 1993, her former boss appealed the decision to the board of referees. This worker went to that hearing with three witnesses and five letters and the 18 names and phone numbers of former workers who were her friends and were willing to testify on her behalf. The referees did not question her witnesses at all. She was accused of stealing those 18 names and phone numbers from her boss's work place.

On February 11 a decision came down that she had good reason to quit but not just cause."

What gobbledegook. I know this government spends millions of dollars of taxpayers' money studying what words will con the public into thinking the government means what it does not mean by the words it uses. So having good reason to quit is not the same as having just cause. That is the kind of gobbledegook that a worker cannot be expected to foresee.

She is now penalized seven weeks and gets 50 per cent of her pay. She was lucky under the old system. She is appealing to the umpire. The lawyer believes she has a strong case. Her former boss also had former employees go to the Canadian Human Rights Commission and there has been no decision yet and to the Ontario Labour Relations Board which has ruled in his favour.

If she had the misfortune of having this happen to her after this present law she would not be losing just seven weeks. She would lose all her weeks and not know when she would ever get a decision on her appeal to the umpire.

This is a monstrously unjust law which victimizes workers for being workers, for being employees and not for being bosses.

The Acting Speaker (Mr. Paproski): It being three o'clock, the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CHILD DAY ACT

MEASURE TO ENACT

Mr. Mac Harb (Ottawa Centre) moved that Bill C-371, an act respecting a national child day, be read the second time and referred to a legislative committee in the Departmental envelope.

He said: Mr. Speaker, there have been consultations among the parties and independent members. I believe you will find there is agreement to adopt my private member's Bill C-371, an act respecting a national child day, at all stages including second reading, committee of the whole, report stage and third reading.

The Acting Speaker (Mr. Paproski): Does the hon. member have unanimous consent to proceed through all stages of the bill today?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, considered in committee, reported and concurred in.

• (1505)

The Acting Speaker (Mr. Paproski): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Harb moved that the bill be read the third time and passed.

He said: Mr. Speaker, I would just like to say a very few words and allow my colleagues on both sides of the House to also say a few words on this bill. I would first indicate that the purpose of this bill is to designate November 20 of each year as national child day in order to promote in Canada an awareness of the United Nations Convention on the Rights of the Child which was adopted in the United Nations General Assembly on November 20.

On behalf of Canada, as you know, Mr. Speaker, our Prime Minister chaired the United Nations Convention on the Rights of the Child and this bill continues this momentum. Before proceeding I would like to take this opportunity to thank many people who have made this bill a reality.

In particular I owe a deep thanks to Our Kids, Results Canada and the Coalition for the Rights of the Child, all of whom played an integral role in bringing the issue of child poverty to light.

Also I owe a special acknowledgement to Janis Machin. Without her initiative, help and support this bill would never have got as far as it did.

Finally, I would like to recognize the support I have received from the House leaders of all parties on both sides of the House. In particular, I would like to thank the Minister of National Health and Welfare and his department, my leader for his unwavering support and encouragement, and the many members of this House who have contacted my office to offer their support for Bill C-371.

The interest this bill has created certainly shows the importance that members from all parties in this House place on recognizing the importance of children.

Canada is recognized as being the number one country in the world in terms of social, economic and political stability and prosperity. Yet, unfortunately, we have over one million children who live in poverty. In fact, according to Statistics Canada, children now make up the single largest group of poor people in our country.

Children who live in poverty are at twice the risk of dying before reaching the age of 20. They have increased rates of chronic illness; they often suffer increased physical and mental disabilities and increased psychiatric disorders; and a greater percentage of poor children and youth struggle in school and face higher drop-out and illiteracy rates.

At a time when our children should experience the joy of growing up, learning and experiencing new things, many children unfortunately are left out.

This bill I believe takes a giant step forward in recognizing the many challenges the children and youth of our nation face today. By designating every November 20 as a national child day we are sending a signal to all Canadians that the issues affecting our youth are important to us all.

This bill ensures that once a year communities from coast to coast will stop and recognize children and the issues affecting them. We can ensure that every year we will pay tribute to the future of our great country Canada.

Ms. Barbara Greene (Don Valley North): Mr. Speaker, it gives me great pleasure to affirm my support and the support of the Minister of National Health and Welfare for this bill and to compliment my hon. colleague, the member for Ottawa Centre, for his initiative in bringing this bill forward.

Canadians will remember that our Prime Minister was an early supporter of the World Summit for Children and that when asked by UNICEF and member states of the United Nations to co-chair the summit, he accepted and that summit was an unqualified success.

Canadians will also remember that one of the subjects of the World Summit for Children was the Convention on the Rights of the Child and in the final communique and the subsequent action plan endorsed by the 71 participating leaders, the ratification of the Convention on the Rights of the Child became the first commitment expected of governments around the world.

History will record that the Prime Minister returned to Canada from the world summit to fulfil his promise that the conditions of children must become a major issue on the political agenda in all countries. The Prime Minister created the Children's Bureau in October 1991, ratified the Convention on the Rights of the Child in December 1991 and oversaw his government's introduction of Brighter Futures in May 1992. Let me take each of these accomplishments in turn.

• (1510)

A dedicated bureau within the Government of Canada to co-ordinate and reflect the interests of children in policy and program development was the recommendation of the International Year of the Child Committee in 1979. Today it exists in the Department of National Health and Welfare.

Canada has ratified the convention on the rights of the child. In a ceremony held here in the Parliament Buildings in the presence of children from all regions of Canada and members of the Canadian Coalition For the Rights of Children, the convention was signed by the Prime Minister. The convention on the rights of the child is very important to Canadians and I would like to take this opportunity to elaborate upon this point.

Children are exceptionally vulnerable. They require special rights to protect them and meet their unique needs. The convention, as an international legal agreement, provides us with a set of standards that confirms the respect our society gives its youngest members. The convention asserts the underlying principle that the best interest of the child should always be the primary consideration. It outlines the responsibility we have as legislators and parents. The convention asks us to look at children in a new way as people and citizens with the same inherent rights as all other members of the union family.

In the hustle of our daily lives, among the constant demands upon our time and energy, this is not easy nor is it simple. In creating this national day to draw attention to the convention, we are responding to article 42 of the convention. This article, one of the shortest of the 54

articles that make up the body of the convention, is one of the most powerful for the future well-being of children. It says: "States parties undertake to make the principles and provisions of the convention widely known by appropriate and active means to adults and children alike". This bill will help us accomplish this objective.

Under the Brighter Futures program, which I will speak about in a moment, the Government of Canada has embarked upon these important tasks of public awareness and involvement in the convention on the rights of the child. In partnership with Professional Publishing Associates, the publisher of several parenting magazines, including *Today's Parent*, a delightful booklet has been developed that parents can read with their young children. This colourful booklet outlines, in appropriate language, the intent of the convention for children and parents. Over the coming months, over one million households with young children will be receiving this booklet.

The Department of Multiculturalism has produced a beautiful poster that voluntary organizations and professional publishing associates are distributing to children's hospitals, child care centres, parent resource centres and schools and parents. Over 40,000 copies will be provided. These two programs are part of a thoughtful effort to familiarize Canadians with the convention in a user-friendly way that involves children and their parents together. We must never forget that the convention speaks eloquently to the central importance of parents in the healthy upbringing of children. The convention safeguards this parental role by stressing that the state must respect the responsibilities, rights and duties of parents in providing appropriate direction and guidance. There will be many partners as we recognize the national day to recognize the convention and the children of Canada.

The Canadian Coalition For the Rights of Children, a coalition of over 45 national organizations, has written the hon. Minister of National Health and Welfare expressing its support for a national day. The city of Ottawa anticipating this national day by a year, held a celebration of children last November 20 at a local school. The Government of Canada will welcome the date of November 20 as an annual day for children. By selecting November 20, this government will affirm a common national day around which Canadians, their organizations and governments will mobilize their efforts to recognize the rights of children.

This bill is also consistent with the government's comprehensive program for children, called Brighter Futures. In fact, the convention on the rights of the child is the first of four components of Brighter Futures. The other three are the new child tax credit recently passed by this House, Canadian action plan for children and the Child Development Initiative. Taken together, these four components form a major commitment toward children by this government that totals approximately $2.6 billion over five years, and ongoing funding for many programs beyond the five years.

Brighter Futures is more than a program or list of activities. It is an idea and a way of thinking about children. The convention is the cornerstone, a set of standards that must be the ever-present guide to all we undertake on behalf of children. The child tax benefit supplement for low and middle income working parents is a new policy instrument that recognizes the serious economic pressures on many Canadian families as they raise their children. The action plan is an outline of the longer-term issues that must be addressed by Canadian society in order to constantly improve the conditions in which our children live and grow. The child development initiative is our confirmation that early involvement with children, particularly those growing up under conditions of risk, can change the outcomes of children for the better as they grow to adulthood.

• (1515)

Brighter Futures recognizes that in recent years a body of research on child development is shifting the focus of social policy for children from attempting to solve problems once they have disrupted the child's life, to anticipating and preventing them through timely intervention.

Increasingly we can see the pathways that lead to problems in later life and the influences that protect or buffer children. Positive influences include healthy pregnancies and birth weight, loving parents who are knowledgeable about child development, caring families and supportive communities. Relatively simple and early interventions are targeted that can help a child move from a dangerous pathway to a healthy pathway.

The programs that illustrate the idea of *Brighter Futures* are coming on line. A guide to *Brighter Futures* will be available in several weeks. It will describe over 20 separate initiatives within the child development initiative, all based on early investment in children and the prevention of conditions of risk.

I am proud of the progress begun by this government on behalf of children, beginning with the world summit just over two and a half years ago. I am conscious that this progress reflects the Prime Minister's interest in children.

I am delighted to express my support for the bill currently before the House. Children are important to all of us. Contributions to their well-being must be made by all of us. This bill adds to our society's recognition of the important place we must establish for children and is welcome.

I would like to add that as chair of the subcommittee on poverty we are preparing a system so that perhaps next November 20 we will be able to have some measures to help us assess our progress in combating child poverty.

I know the member for Ottawa Centre has been tabling petitions, as have many other members of this House and I. Indeed I was at the ceremony beginning the spreading of that petition. Members of this House have also passed a resolution to eliminate child poverty by the year 2000.

Our subcommittee is hard at work developing standards so we can assess the state that children are living in across the country and perhaps work to have national standards in welfare or a guaranteed annual income. That is also being discussed at the current moment, and a paper by the minister will be presented on it.

All Canadians want to see that children in this country have a standard of living that is acceptable and reasonable and that they all have the opportunity to thrive.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise in support of the bill because of children, not because of the hypocrisy that has come to this House with the presentation of the bill.

It is hypocritical to have a national child day without accompanying policy that sees an end to hungry children in this country. We have just heard the litany of things the government has done and will do for children, a government that has reneged twice on a national child care program to make sure children are safe and secure while their parents works.

Forty per cent of those using food banks in this country are children under 16 years. We just debated today a policy that will create more families having to resort to food banks because they cannot get unemployment insurance and we have double-digit unemployment.

One million children live in poverty and yet the government member who just spoke from Don Valley North, the chair of the subcommittee for poverty, has recently said the poverty line should be lowered. Will this help children?

Seventy-four per cent of women in their child-bearing years are in the work force. Yet, as I said, there is a dramatic shortage of child care spaces.

Are our children not worth government attention when it comes to their safety and care while their parents are working? The government withdrew funding for the Kids Help Line, a national line designed to help children in crisis.

Now we have a proposed national child day. As I said we support anything that will improve the conditions of children but will a day, November 20, improve the conditions of children without policy?

Where is the Liberal policy on child care? It is the NDP government in Ontario and the federal NDP policy that has taken real positive steps to address the crisis in child care in Canada.

Marion Dewar, the national director of the Canadian Council on Children and Youth is a former member of this House. We hope with the support of the people from Ottawa Centre she will be a member of this House again. She has advocated for an end to child poverty for years. She said: "Spending money on child poverty is not an addition to deficit but an investment in the future".

It may interest those in this House and Canadians who are watching that the sponsor of this bill joined with the then mayor of Ottawa, Jim Durrell, in abolishing the Youth Advisory Council. That council provided a way for the needs of young people to be recognized in those programs delivered by the city of Ottawa.

There is considerable irony in the fact that here today the Liberal member is calling for a national child day. However, when pushed to put into action those policies that truly benefit children, we find the Liberals lacking and in fact, doing just the opposite to what this bill is all about.

I listened to a member from the Liberal benches on an open-line show in British Columbia. He talked about economic policies that would create even worse situations for children currently living in poverty.

On Monday, September 25, 1989, I introduced a private member's motion concerning a suggested child protection commission. It read: "That in the opinion of this House, the government should consider the advisability of negotiating with the provinces to provide a comprehensive bill of rights for children which would standardize laws throughout the country and that this bill of rights include a child protection commission and an emergency hotline which children could contact in times of crisis".

People might be interested in knowing that the hon. member who sponsors this bill not only did not speak for or against that private member's motion but in fact he could not make his way from the city of Ottawa to this Chamber to vote for it.

In addition, we have been told over and over that private members' business is non-partisan and should be non-partisan, that there should be a free vote. However, when we came into this House to vote on that private member's motion, the government Whip turned to his members. The government voted against a child protection commission and a children's bill of rights.

Again, I speak in favour of this bill. I am sure the hon. member and the member from Don Valley North both feel that what they are doing is going to help children. I hope they are right. But to have a child day without child policy and policy that will protect children is not going to solve the problems of children in this country.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being 3.23 o'clock p.m., this House stands adjourned until Monday, March 22, at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 3.23 p.m.

HOUSE OF COMMONS

Monday, March 22, 1993

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

EUTHANASIA

TERMINALLY ILL PATIENTS

The House resumed from Friday, February 26, consideration of the motion of Mr. Waddell (p. 16093):

Mr. Waddell: Mr. Speaker, I rise on a point of order.

This matter is votable today if five members rise. There has been an agreement that the vote, if it is to come, will be deferred to six o'clock to make it more convenient for members. I wanted to say that before the debate begins.

The Acting Speaker (Mr. DeBlois): The House has heard the terms of the motion. Is there unanimous consent to defer the vote until six o'clock?

Some hon. members: Agreed.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, it is a pleasure to rise and participate in the debate on the motion:

> That, in the opinion of this House, the government should consider the advisability of introducing legislation on the subject of euthanasia and, in particular, of ensuring that those assisting terminally ill patients who wish to die not be subject to criminal liability.

This matter has been raised and discussed in this House a number of times over the last year. In fact this is the fourth time it has been raised. The debate on each occasion has been an interesting one. It has been carried on with great seriousness, compassion and caring for the issue at hand and for those people who face a long and agonizing death from a terminal illness.

Canadians have spoken out consistently in favour of some changes to the legislation, to the Criminal Code. These changes would permit Canadians who are nearing the end of their lives, who are faced with a prognosis that is discouraging and does not suggest any opportunity for improvement in their condition causing either physical and emotional pain and suffering or both, and who have a firm commitment and desire to do so, to end their lives, seek assistance in ending their lives if it is not possible for them to do so themselves.

In response to a Gallup poll question, which Gallup has been asking for the last 20 years, dealing with the legalization of physician assistance in dying, consistently over the last decade 75 per cent of respondents to the Gallup poll have argued in favour of some changes to the legislation.

• (1110)

In many phone-in radio shows and television shows that I have done on this subject, that 75 per cent figure is approximately the ratio in which the respondents on the radio and television shows presented their arguments. About 70 to 75 per cent of people phoning in to radio and TV shows that I have done supported liberalizing the law with regard to physician assistance in dying.

It is time that this Parliament acted on this issue. It is rare that such a large proportion of Canadians are of a common mind about anything, especially an issue of this importance. It is time that this House responded to that very large majority view.

Over the last little while we have seen some tragic cases in which Canadians have had to plead to courts to have the permission to end their lives when they are living in intolerable pain and suffering.

There was the Nancy B. case in which it was felt necessary to have court-sanctioned permission for the physician to remove Nancy B. from her life support systems. Surely that sort of trial and turmoil for a patient, for a person living in great pain and great suffering toward the end of their life is undignified and should not be required in Canada.

Most recently, we have seen the case of Sue Rodriguez. I do not think anybody in this Chamber or many Canadians would want to have to go through the same torture she is going through in trying to get permission to ask a physician to assist her in ending her life when she concludes that her quality of life is such that she can no longer continue. She wants to have the opportunity to have the assistance of a physician to end her life, and we know what she is having to go through in order to obtain that.

Surely that is undignified in Canada. Surely it is uncaring and uncompassionate. Surely it is something that we have to do something about.

We have been called upon to act in this matter by the Chief Justice of British Columbia, Chief Justice McEachern, who in a decision which considered the issues carefully and with great compassion, argued that while in individual cases a court could respond appropriately the issue should be dealt with at the level of national public interest because, after all, that is where it needs to be addressed.

We are really asking for people to have the right to choose to end their lives under very restrictive circumstances. We are also asking for physicians who assist in that act in that compassionate and caring situation to be protected from criminal sanction.

The Chief Justice of British Columbia has urged this House to act, and this House has the opportunity to respond positively to the motion of my colleague from Port Moody—Coquitlam.

At the moment we have a situation in which the only restraints on physician assistance in dying are contained in physicians' codes of ethics. We know that across this country patients are assisted in the dying process by physicians every day. We also know that physicians are concerned about the repercussions of potential criminal sanction as a result of responding to their patient's wishes. It is time that we allowed those physicians who act on their patient's wishes out of compassion and caring to do so without fear of criminal sanction.

It would be a progressive response for this House to respond positively to the member's motion. I congratulate the member on bringing this issue to the House of Commons. It is not every day that controversial issues are raised by members of Parliament.

• (1115)

It is appropriate that the House of Commons is faced with these difficult issues because it is surely a question for society as a whole to respond to, and this House through its legislative powers and responsibilities lays down what is appropriate for society in many respects.

Is it not the time for us to say that people who are nearing the end of their lives and whose quality of life is unacceptable to them because of the physical or emotional pain and suffering they face, because the prognosis is so negative and because they want to speed the dying process, should have the right to do so? Is it any longer critical for Canada to say that they cannot do that, that they cannot ask someone to assist them in doing it, and that if they do then the person who assists them will be liable for a criminal offence?

I believe our society has progressed to the level at which we can say that it is not a reprehensible act that should be punished by a criminal penalty and that we should respond in a caring and compassionate way to people like Sue Rodriguez, Nancy B. and the many other Canadians faced with the same tragedy who merely want the opportunity to end their pain and suffering.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am rising in opposition to this motion. I do not think it is a progressive measure to enshrine into the law of this land a motion that supports euthanasia.

I want to begin by saying that I have deep respect for the member who sponsored this motion and for the member for Saskatoon—Clark's Crossing whom I just finished listening to. My opposition to this motion not only results from a personal experience but also from views that I have heard from many of my constituents.

I would like to begin by talking about a personal experience that has caused me to believe that this is not the right way to go. It was the spring of 1988 and I was returning from a holiday in Cuba. I came off the plane

and my wife said to me: "Your father has been in the hospital for the last three days and you should go down and see him". I said: "Well, when you say it like that there must be something serious going on here". She said: "He is not well".

From the tone of her voice I knew that something was up and so I rushed right away to St. Michael's Hospital in Toronto and I walked into the room. My father was a very young man, more like a brother than a father to me for most of our relationship. I said: "Well, Dad, what's up?" He said: "I have three months to live". He had lung cancer. After I asked him, in moments of frustration, if he had examined all the options—there are great doctors and great research in this country and in the United States—he said: "Listen, while you have been away I have gone through all of this. The prognosis is that I have 90 days, maximum 120".

After a couple of hours of real bitterness and frustration on my part I then went through an experience in which over the next 90 days I watched my father die. He moved from his home in the country, from the farm, into our home, into my own bedroom, for about 60 days before we moved him into the palliative care unit at St. Mike's. I believe that those days, not only for him but for me and many others around him, were very special moments even though we knew his life was coming to an end.

• (1120)

The first reaction by those of us who are not suffering is obviously one of care and compassion for the person. We do not want them to continue suffering, and naturally we do not want to be someone who is promoting that. That is not where I am coming from.

I believe that life, even in its most painful form and at its loneliest moment, is something precious and meaningful and not for us to make a judgment on as to when it should end, especially when the judgment is to be made by someone who in his or her natural state is low and in pain.

The last hours in the personal experience I had were very meaningful to my father who was in pain. Today we have lots of medication and support systems, but even those last hours were precious and meaningful. Had we co-operated in perhaps a moment of weakness on his part when he might have said he wanted his life to end today or next week, we would have denied him a joy that he experienced right to the end. I certainly know we all experienced that joy.

I hear this from many other people who have had similar experiences. It is not that we do not have compassion for a person who is suffering. It is not that we do not care about a person who is suffering. Viktor Frankl is probably one of the best psychiatrists in the world. He developed a therapy called logotherapy where one can develop a meaning and a satisfaction at that most desperate moment in one's life. Somehow we should be putting more support, more time and more energies into that type of support system for a person who is facing the prognosis of death, of eternity.

For that reason, the reason being that life for me is precious and should be supported with all the forces and energies we have, we should not be the ones who support an interruption of it. For that reason I cannot support this bill.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I welcome the opportunity to stand for a few minutes to offer some comments on this issue. I commend the hon. member for Port Moody—Coquitlam for bringing it before the House.

It is an issue about which Canadians will have to give an awful lot of thought over the next few months and indeed few years. I am sure my hon. friend in bringing the issue forward has done so because he has a great interest in justice issues as well as moral issues. This issue has been brought before the public recently by the Rodriguez case in British Columbia. That may or may not have stimulated my hon. friend to bring forward his motion, but I notice he spoke to that case in his remarks. We are also mindful of the case in Quebec a year ago.

The issue in my judgment is a very complicated one. There are a lot of issues, moral and otherwise, connected to it. Members will no doubt speak to that.

• (1125)

I am not sure in my own mind that there has been a lot of public discussion about this issue. When there is an emotional news story it captures public attention for a period of time and then goes away. Sometimes it leads to the kind of serious debate now before Parliament on this very controversial subject. Sometimes the story comes, goes, passes and is forgotten.

I would hope the Rodriguez case would stimulate the kind of serious discussion I feel we need on this issue in Canada. In a way it is a right to life issue, not dissimilar in the moral context to the issue of abortion and the issue of capital punishment. By contrast those issues have received perhaps too much discussion in this country. I know all members of Parliament have received representations on those subjects for many years.

I have to say honestly that I have not received calls from any of my constituents on this issue. It is not because my constituents do not feel strongly on the issue. It is because I think the issue has become the subject of very extensive and serious dialogue among Canadians.

This has to happen because it is an issue concerning changes in medical technology and our ability to keep people alive. Sometimes I think we have developed it almost to an industry of keeping people alive no matter how miserable they may be. As a nation we will have to face that issue just as it is being faced in other countries.

We are all mindful of what is going on at the present time in Holland and the legislative changes taking place there. With all due respect, Holland is not Canada. This is a moral issue about which Canadians will have to speak. I fully expect as on all moral issues that Canadians will be as divided on this one as they are on the issues of abortion and capital punishment.

However what is important is that we start to focus serious public attention on the issue, and that is where the motion by my hon. friend does a very important public service to Canada. Whether this motion is voted up or voted down, what is significant is that the issue has been brought before Parliament. For that I thank him and I commend him.

I do not know what my own position on it is. A lot of people will be motivated perhaps by their religious beliefs. The Bible is fairly explicit: Thou shall not kill. Of course the implication of this motion is to kill. Perhaps it is a mercy killing. Perhaps it is relieving somebody of misery from which there really is no end except through death. Indeed arguments can be made in that context.

As for myself I am not motivated totally by that concept so much as by the mere issue in my mind of whether it is appropriate for government in a democratic country to authorize citizens to kill each other. I know that is not put in the context meant by my hon. friend's motion, but that certainly is one interpretation.

What is the role of physicians in society? If we go back to the Hippocratic oath or whatever, is it to save life or is it to relieve pain? I am not a physician. I am not going to tell physicians what their perception of their role should be. I guess what I am saying is that it is premature for Parliament to speak on this issue. I honestly do not feel that there has been adequate debate in Canadian society on this issue. After that debate has taken place, perhaps a Canadian view will emerge that favours a move in the direction they are going in Holland. Perhaps Canadians will say no, that it does not reflect the value important to us as Canadians.

Each member of this House will have to decide ultimately where he or she stands. Most I assume would want to know what their constituents' feelings are with respect to the issue. Because somebody is for or against capital punishment or abortion would not automatically determine whether he or she is for or against establishing some legislative basis by which euthanasia should occur.

In summary I want to say it is important Parliament and government examine the issue and what the views of Canadians may or may not be on the subject. It would be premature for Parliament to vote in an overt direction of saying it is ready to commit Canada to a legislative basis for euthanasia. I do not think Canadians are ready for that decision to be taken.

• (1130)

I think it would be premature for Parliament to make that decision. Therefore I will be voting against the resolution though I do so with some reservation. Again, when I make that point I know my colleague from Port Moody—Coquitlam and my colleague from Fraser Valley East spoke very eloquently on this. A private member's bill has been brought before this House on the same subject. However, I think at this point it is premature. We need to give this issue more focus. The

day will come when Parliament will in a serious legislative way have to face this issue and make a decision.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, the motion before us of my colleague, the member for Port Moody—Coquitlam, is an important one. It is an issue which I am sure causes a great deal of anguish and personal difficulty to many members of the House.

Any subject that deals with personal, spiritual, religious and moral values is always a difficult issue to deal with in a public place and in a permanent way and Parliament is within the limits of any human act. It is one institution that is called upon to render those kinds of judgments.

It is important to recognize first of all the subject of this motion:

> That, in the opinion of this House, the government should consider the advisability of introducing legislation on the subject of euthanasia and, in particular, of ensuring that those assisting terminally ill patients who wish to die not be subject to criminal liability.

It is important to recall that there are at least four members of Parliament from both sides of this House, the member for Port Moody—Coquitlam, the member for Saskatoon—Clark's Crossing, the member for Fraser Valley West, and the member for Burnaby—Kingsway, who have motions along these lines before this House. There may be other members.

It suggests to me and I would suspect to most other members that there is a feeling in our communities that Parliament should be asked to render a careful judgment on this issue in the not too distant future.

There is the case in British Columbia of Sue Rodriguez who suffers from ALS, Lou Gehrig's disease, and her struggle before the courts and on the cameras. It has brought to the attention of the Canadian people, from one end of the country to the other, the very agonizing choices people feel compelled to make.

In the speech of my colleague whose motion this is he pointed out: "People used to die at home mainly of communicable diseases. They received good palliative care from concerned family and friends. Now people die in hospitals surrounded by batteries of life-saving equipment. Seventy-five per cent of deaths are caused by chronic degenerative diseases such as cancer, heart disease, AIDS, strokes and Alzheimer's disease".

The change in circumstances that paragraph outlines has taken place in the issue of life or death. People choose to continue to exercise their option and their choice for life has changed dramatically over the last number of years, even in the last very few years.

I know people in my area, and others from whom I have heard by letter and by phone, generally have indicated they feel that technology has changed to such an extent that some of the religious values that at one time were imposed and generally accepted now have to be called into question. The nature of life itself has changed because of our technology.

I suggest that people are asking us to act with care and flexibility. The courts are asking us to act and render a decision. Surely in light of the knowledge we have, our consciences must demand that we act. How we act is a different question. But if we move ahead with this motion and if it were to receive the support of this House, all that it asks us to do is to consider the advisability of introducing legislation on the subject of euthanasia. In particular this would be to ensure that those assisting terminally ill patients who wish to die would not be subject to criminal liability.

• (1135)

Surely, unless we feel a very strong religious compulsion to deny people the choice in any circumstances, we ought to be able to give our support to such a motion. It simply asks the government and, through the government, Parliament and all Canadians to seriously consider the many issues and come up with the most carefully designed legislation and guidelines that we can.

We are not an ecclesiastical court. If we were, we might be justified in saying no, but we are not. Therefore we must ask ourselves whether we have the right to deny a human being who, being of sound mind, determines that at a given point of artificially induced continuation of life they wish to terminate it rather than continue in a state of existence they find unbearable. I suggest the answer is no. We do not have the right to deny them that choice, a choice that only they should make.

If they have requested technical or medical assistance in exercising that free choice and that choice has been witnessed after a period of extensive personal and family counselling which we have a right to insist upon, then they ought to have that choice.

I am concerned, as I am sure many members are with the possible consequences of precipitate decisions taken by individuals but we can deal with that. I am also concerned by the potential misuse by third parties if we should begin on this road but we can deal with that. Speaking for myself, however, I have no right to impose my religious or spiritual values upon others of sound mind in the exercise of their judgment on what is surely the most important and most personal decision a person may feel compelled to make: the question of life or death.

In concluding my remarks I simply say again that it is an agonizing and moral choice, such as are the issues of capital punishment and abortion. However, we must remember that we are not an ecclesiastical court. We are the freely elected spokespersons of the Canadian body politic. They are concerned with this decision. They are concerned with its implications.

All that my colleague has asked in this motion is that the government address it without deadlines. Government should address it clearly and carefully, with the maximum of public input and consideration for all of those values we hold to be important.

I most sincerely urge all of my colleagues to give their support to this most important motion before us.

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I will probably find this somewhat difficult to express, but I must speak on this issue. It is a moral issue as far as I am concerned. It is not just an ordinary situation.

I suspect that most of us in this House have at one time or another had a loved one who suffered seriously in his or her dying weeks or months. That is very difficult to accept and it is very difficult to forget.

However, we were given no guarantees when we were born, when we were conceived. We were not told that we were going to be happy all our lives or that we would suffer no pain. It seems to me that if we deviate from what I have studied and what I have learned with regard to life and its sanctity, then I cannot vote for a motion that would take a human life. To do so, to me, would be murder. To do so, to me, would be a betrayal of all of the things I have tried to stand for in my personal and public lives. Therefore, if this motion comes before the House for a vote, I will naturally be voting against it.

• (1140)

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I was not intending to rise today but I think it is important that we acknowledge the assistance the hon. member for Port Moody—Coquitlam has given us by bringing forward this motion. I have difficulty with the motion and I believe that most members in the House will have difficulty with the motion.

The whole question of euthanasia is something we are always faced with. It really is a question of whether, as a House, we are going to change the rules with respect to suicide and assisted suicide and where we would draw the lines. I suggest it is not a matter I am prepared to come out and be affirmative on at this stage. I believe my constituents would want to have a fair amount of opinion on the matter. One of the advantages of this debate is at least it brings it to the attention of the public.

I want to make a couple of comments. First, it has always been our law that a person is not entitled to take their own life. If that is the case, then they should not be entitled to have someone else take it for them. After all, life itself is sacred and the taking of life is itself a crime. The issue is whether the taking of life should be made not a crime under certain circumstances.

Surely it is as much a crime to take the life of someone who may be terminally ill as to take the life of someone who says: "I no longer wish to live in this world, will you assist me in killing myself?" Where do we draw the line between terminally ill because of disease or terminally in trouble because of a state of mind?

Where do we draw the line as to what is the real state of mind of someone who is terminally ill physically? Do they really want to end their life or do they only temporarily want to end their life as they go from one state of mind to another? Are they really suffering or are they in communion with God and with the hereafter, as we may want to put it? I do not know. We do not know. However, we have for a long time in our society provided that a person is not entitled to terminate their life and not entitled to have someone else terminate it for them.

We have all had members in our families who have been exceptionally ill. They have not known where they were and have clearly been in pain. It is so easy to pull the plug and kill them.

• (1145)

I do not think we have the right. We would certainly have to think very long and hard if we were to change the way our society has developed with respect to the right to life and the belief in life. Belief in life is a sacred and continuing thing.

I will be voting no on this motion today. I think it is important we discuss the matter but I do not think it is the time today for us to ask the government to legislate on euthanasia.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I intend to use only a few minutes of my speaking time and leave the rest for my colleague, the mover of the motion.

I welcome this opportunity to support my colleague's motion, and I think there are three questions we should ask ourselves. First, do we need this kind of legislation? I think it is clear that we do. Just consider Sue Rodriguez and Nancy B. in Quebec, and so many other cases we have seen. At the very least we should consider the advisability of legislation on euthanasia for people who ask for assistance in bringing about their own death when their condition is such that they would rather die than go on living.

The second question: Is this proposal premature? I do not think so. We may not talk about this problem all the time, but it is nevertheless a very real problem in society today. It is the kind of problem that requires legislation or at least a discussion on its advisability. Gallup and other polls have shown that nearly 70 per cent of respondents agree there should be legislation on euthanasia. I do not think it is premature.

The third question, to which I think we must answer yes, is: Will there be a positive impact as a result of this legislation? The answer is a resounding yes, because if we look at the Netherlands which passed its own legislation, there has been no abuse whatsoever. What we want above all is to be able to get a medical decision and ensure that the last wishes of a patient who would rather die than go on living are respected.

Do we need this kind of legislation? The answer is yes. Is it premature? No. Will it have positive consequences? The answer is yes.

The Acting Speaker (Mr. DeBlois): I just wanted to point out that when the hon. member for Port Moody—Coquitlam is recognized, he will be exercising his right to reply and will be the last speaker on the motion. The hon. member has four minutes, until 11.52 a.m., when the proceedings on this motion are to expire.

The hon. member for Port Moody—Coquitlam.

[*English*]

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I will be brief. I want to say first of all that I am very proud of this House of Commons. This is the third hour of debate and the level has been superb. It has been thoughtful, passionate and relevant from all sides, no matter which of the two positions people have come down on. It has been a marvellous debate.

I just mention the hon. member for Don Valley West and my colleague, the hon. member for Okanagan—Shuswap, who made passionate speeches about their own personal life. We have heard very moving speeches, today from the hon. member for Broadview—Greenwood, and the other day from the hon. member for Glengarry—Prescott—Russell.

• (1150)

This issue belongs in Parliament. Two judges in the Supreme Court of British Columbia said that we should deal with it. We are dealing with it and this House has to have the courage to deal with it.

I think the vote this evening is only the beginning. No matter which way the vote goes, and I hope it will be a free vote and members will vote different ways, it is the beginning of Parliament facing this issue.

I crafted the motion delicately so that it would be open to the government to bring in legislation. There is a direction and it is a direction in the way that it was referenced to the Rodriguez case.

Parliament is dealing with it and I predict a future government will have to deal with it. If this government does not deal with it, eventually the people will expect Parliament to deal with it.

We cannot expect sick and dying people to be dragging themselves through the courts. Parliament has to deal with this issue. It belongs in Parliament. That is what we

are here for. We have to deal with these tough issues. We have got to do it.

I have had comments from my riding. I want to read a letter: "I am writing to you to thank you for the support you are giving Mrs. Rodriguez in her request to die. I have a prostate tumour which could put me in a position where I am not much use to anyone and suffer a great deal of pain. This is what happened to an older brother of mine. His was not an easy cross to bear".

These are real issues. These are family issues. Our families and our friends have had to deal with these issues. Medical technology allows people to hang on and on and they die in hospital surrounded by tubes and new equipment. People want to die with dignity. That is what the issue really is.

I want to quote Tom Harpur, writing in this weekend's *The Toronto Star*:

> The truth is, Sue Rodriguez's fight to have doctor-assisted suicide made legal under certain specific, clear and out-in-the-open conditions is not just for her own sake but for the lives of all who may well one day find themselves in a similar situation. In any other field, those who endure loneliness, suffering and abuse for the sake of others are called heroes, heroines or saints. It's time we rallied behind her and recognized what this woman is really all about.

It is an issue for all of us. It is an issue we are going to have to deal with. It is an issue we are dealing with. It is a family issue. It is a life issue. It is the quality of life and the quality of death.

I will end the debate with a quote from Sue Rodriguez to this Parliament. She said:

> Despite my losses, I do not want pity. All I ask of my fellow Canadians is understanding and compassion. Understanding that they too may some day be in a position similar to mine.

The Acting Speaker (Mr. DeBlois): It being 11.52 a.m. pursuant to Standing Order 93, the time provided for debate has expired.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): By unanimous consent, the recorded division is deferred until six o'clock p.m. later today.

[*Translation*]

SUSPENSION OF SITTING

The Acting Speaker (Mr. DeBlois): It being 11.53 a.m., the sitting of the House is suspended until noon.

At 11.53 a.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 12 p.m.

The Acting Speaker (Mr. DeBlois): Today being the final allotted day for the supply period ending March 26, 1993, the House will proceed, as usual, to consideration of and concurrence in supply bills.

[*English*]

In view of recent practices, do hon. members agree that these bills be distributed now?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

Mr. Maurizio Bevilacqua (York North) moved:

> That this House condemns the government for its policies that have stifled economic growth, destroyed Canadian jobs and exacerbated the recession.

He said: Mr. Speaker, today I want to talk about my hope for the future, my faith in the Canadian people and my desire to bring about change in this country. I want to speak about those Canadians who work hard, pay their bills, raise their families, help their communities, hope for a better future and are committed to Canada.

In the past four years I have travelled extensively throughout the country listening to the voices of the people. What I have heard is of great concern to me. Canadians are losing hope. Four years ago almost to the day I stood in this place to deliver my first speech as a member of Parliament. I spoke then about an agenda for change, an agenda that challenged this generation as previous dilemmas challenged our forefathers.

Four years ago I saw that agenda in the face of the single mother who with her children was compelled to stand outside the local food bank for their daily meal. I saw it in the apprehension felt by the factory worker who understood the personal threat imposed by Mulroney's insensitive free trade deal. I saw it in the inequity of Conservative budgets which have unfairly overburdened our working middle class families while rewarding the chosen few. I saw it in the attitude of our young graduates who despite their academic achievements still encountered a cold and indifferent world. I saw it in a country as rich as ours in people with no shelter, no food.

In 1993, four years later, there are more food banks than ever before. Workers are still waiting for adjustment programs and the promised job opportunities. The middle class is paying more taxes than ever before. Young people are faced with rising unemployment and there are more homeless people. We are living in very difficult times.

I could for the next while talk about the government's inability to reduce the public debt which now stands at $422 billion. It was $168 billion when the Conservative government took over. I could also speak at length about the inability of this government to address the deficit challenge, the human tragedy of over two million people on welfare, and 1.6 million people on the unemployment rolls.

• (1205)

I could speak about the declining after-tax income of the average Canadian family, the 38 tax increases imposed since 1984. I could perhaps speak about the 325,000 manufacturing jobs we lost since 1989, the 206,000 bankruptcies we witnessed since 1990 and the one million Canadian children who live in poverty.

These are all very depressing statistics. However do not forget that this situation did not happen by accident. The Conservative government made some very basic and fundamental economic policy mistakes, among them fighting inflation at all costs, high real interest rates, a high Canadian dollar and a free trade agreement without adjustment programs.

Today I want to talk to you about something different. I want to talk about how we can turn this country around.

As a Canadian born in the 1960s, a husband and father of two young children, I am much more concerned about the future than the past. It is for this reason I will concentrate my remarks on the future of this country and the Liberal Party's approach to deal with the future. There is no question a new approach is required.

A Liberal government understands that in the emerging global economy everything is mobile: capital, factories, even entire industries. The only resource that is really rooted in a nation and the ultimate source of wealth is its people. The only way Canada can compete is to have the best educated, best trained work force in the world, linked by the most advanced communication and technological infrastructure.

As a nation we cannot afford to have 30 per cent of our high school students drop out before completing high school, at a rate of 100,000 a year. That is one million in a decade. We have over 400,000 young people unemployed at a time when over 300,000 jobs go unfilled because we do not have people who possess the required skills.

In order to develop these skills we will work with the provinces, business and labour to establish a national apprenticeship program, provide tax incentives for on-the-job training and create a Canada youth service.

Our priority will be to focus on our country's resource, our people. That means investing in people and providing Canadians with a comprehensive adjustment strategy. Canadian workers who have been displaced by the forces of globalization are prepared to adjust and desperately want to. We are committed to helping them because we feel that government has a role to play where market forces fail. Our responsibility is to provide

workers with opportunity, and in turn their responsibility is to make the most out of those opportunities.

Developing an effective adjustment program strategy is absolutely necessary as we attempt to develop a life-long learning culture that can easily adapt to change.

We must restore Canada's industrial capacity. Three hundred thousand jobs have been lost in recent months and those jobs are not coming back. We must create an environment to inspire confidence so that new jobs are created. Government must reward the people who work hard at creating new jobs, starting new businesses and investing in our people and plants. We must shift the focus from shrinking the economy to expanding the economy. That means jobs with futures in industries with futures.

• (1210)

The small and medium sized business sector, which creates most new jobs, is an integral part of our strategy. We will help small businesses with initiatives to assist them in bringing new products to markets, to speed up technology acquisition and to export to markets they have never before considered. In conjunction with the provincial governments, we will work toward reducing the regulatory burden which creates unnecessary problems for our small and medium sized enterprises.

We will also challenge Canada's major banks to give small business a break and to develop concrete measures to help small and medium sized businesses get the financing they need.

We would further reform the Small Businesses Loans Act and make it easier for small business to get equity financing. This will help small business and the economy to grow.

I fundamentally reject the solutions of yesterday. I favour policies which speak to the future. I believe in government activism, which means I reject the *laissez-faire* policies of the Conservative government. While I accept that government cannot do everything alone, it does have a role in fostering stable economic growth.

While we actively participate in the economy, we will commit ourselves to a strict and accountable set of fiscal guidelines. We need fiscally responsible government. If the debt escalates much further it will paralyse future governments.

We are committed to fiscal responsibility. We are committed to unwavering discipline in controlling federal expenditures. We are committed to holding off on new programs that do not contribute directly to the promotion of economic growth and jobs. We are committed to a reduction in the deficit both in absolute terms and as a percentage of the gross domestic product. We are committed to reducing the national debt as a percentage of gross domestic product.

These commitments will move us in the right direction and will help us restore the confidence required in the international community. We must address the debt and deficit problem. It is a national priority.

As a party that has been a leader in the area of global trade we are committed to open and fair trade. The major focus of our trade policy is to secure and increase access to world markets while at the same time securing a better life for our people. Consequently our approach to the negotiation of future trade agreements must be one that deals effectively with human concerns like environmental standards, health and safety standards and working conditions.

The Tories have proven in two trade agreements that they cannot negotiate in Canada's interest. The NDP on the other hand refuses to accept the global reality.

We understand full well that one in five Canadian jobs is directly dependent on exports and we certainly want to be leaders in global trade. Our approach is distinctively different. We are deeply concerned about the development of regional trading blocs. If a North American trading bloc is emerging we recognize that Canada must play an active and independent role in defining that bloc.

We took the position that NAFTA negotiations be utilized to improve the terms of the FTA. Instead the NAFTA in the form agreed to by the government would completely scrap the working group on subsidies and dumping. In addition the government did not correct the energy giveaway in the FTA. The Conservatives have allowed Mexico protection for its energy resources that Canada itself does not have.

A Liberal government will seek changes to both the free trade agreement and the North American free trade agreement. We need a subsidy code, an anti-dumping code, a more effective dispute resolution mechanism, agreed upon labour standards, agreed upon environmental standards and the same energy protection as Mexico.

• (1215)

In addition, the Mulroney government has yet to introduce any adjustment assistance program to help Canadian workers and firms adapt to greater trade liberalization.

As well as improving the terms of NAFTA, Canada should be working with other countries in the western hemisphere to minimize dominance by larger and stronger trading partners. We would work to build common western hemisphere institutions to provide political, demographic and economic counterweights to the United States.

While we must seize opportunities to trade in the Americas, we would not turn our backs on the rest of the world. A Liberal government would work to expand trade in the Pacific basin and with the European Community. We support the Canada-Japan 2000 forum co-chaired by Peter Lougheed which has recently chartered a course for expanding trade with the Pacific basin.

Throughout its two terms in office, the Conservative government's economic agenda has been dominated by free trade. We recognize that trade policy is no substitute for sound domestic policy. Monetary, fiscal investment, training, education and research policies go hand in hand with trade policies. The Conservatives have failed to recognize this reality.

We need a fair tax system. No one can promise across the board tax cuts. That would be irresponsible. We can commit ourselves to tax fairness for every Canadian, especially to middle-class families who have borne the brunt of the tax increases since 1984.

The Conservatives have attacked us for our position on the GST. Here are the facts. The Conservatives have raised or imposed new taxes on individuals 38 times since 1984. The GST, the most hated tax in Canadian history, was imposed on Canadians without proper consultation. It was imposed on small business despite its opposition. It was imposed on the provinces over their objections.

The GST destroyed public confidence in the fairness of tax systems. It has expanded the underground economy. It has undermined consumer confidence, lengthening and deepening the recession. It is complex and costly for small business to administer and takes an army of bureaucrats to collect. It has made federal-provincial fiscal relations much more difficult.

We are left to clean up their mess. Unlike the Conservatives, who railroaded the GST through Parliament, we will implement a replacement in full consultation with individual Canadians, the business community and the provinces.

Unlike the New Democratic Party which thinks it can cancel the GST and have $15 billion fall from the sky, we acknowledge that the only responsible course is to replace the revenue brought in by the goods and services tax.

In the first session of a new Parliament, we will mandate the all-party Commons finance committee to consult Canadians and provincial governments on all the options to the current GST and report to Parliament within 12 months. Our objective is clear. We must find ways to generate equivalent revenues that are fair to consumers, easier to administer for small business and promote federal-provincial co-operation.

I think it is fitting that I started my remarks by talking about the future. I would like in my concluding remarks to speak about young people.

In the past four years, I have travelled throughout Canada listening to the voices of our young people. Instead of the unlimited future that my generation was fortunate to have, today's youth are confronted by diminishing opportunities. They are frustrated by an education system that cannot help the 100,000 high school students who lose hope and drop out every year. This is a system that fails to address the high illiteracy and innumeracy rates that afflict our youth. Young people worry about not having the skills needed to find jobs in tomorrow's knowledge-based economy and they cannot understand why the federal government will not provide them with opportunities.

• (1220)

Young Canadians are deeply troubled by this state of affairs. They are desperate for a new vision for Canada, a vision that will restore their hope and show them a future.

The Leader of the Opposition and the Liberal team are determined to restore hope and offer a future to Canada's youth. We are determined to get our economy moving again, rebuild Canada's economic leadership, create highly skilled, highly paid jobs and reclaim our future for our children.

The Liberal team will create a society that will be able to compete globally, protect the environment and provide opportunities for its members. Young people are an important part of our vision. That is why the Leader of the Opposition and the Liberal team are committed to giving them the tools they need to build the future and the new economy, an economy where young people will be full partners.

We call on all our economic partners, business, labour, all levels of government, communities and individuals to join us in a program to eradicate illiteracy and innumeracy among our youth. We call on them to help us promote co-operative education, to encourage work place training, and to help us develop national educational strategy goals.

The Liberal Party is committed to establishing a national apprenticeship training program and to creating a Canadian youth service dedicated to environmental protection and responding to the social needs of our community.

Like all Canadians, young people understand that the future is not a gift, it is an accomplishment. Together we know we can make a difference. Together we will make it happen. It is clear that we are ready to govern and bring about the type of positive change that Canadians are requesting.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I listened with interest to the enormous program of the Liberal Party. It sounded to me like a rehash of some of the things we determined to do back in 1983 and 1984 and have accomplished.

I was wondering if the member could tell us so we could get it on the record for once whether or not his party is in favour of carrying on with the free trade agreement currently in place with the United States.

After he answers that, could he also tell us whether or not he will be voting in favour of a North American free trade agreement that may include Mexico and eventually Chile, Argentina and Brazil? Does he want to have, in other words, a party addressed to world trade even if that trade is just North American trade? To what extent is his party a free trade party, or is his party a protectionist party?

Will he please tell us where he stands and where his party stands?

Mr. Bevilacqua: Mr. Speaker, I thank the hon. member for Mississauga South for his question.

I can simply tell the hon. member that we stand on the side of Canadians, on the same side as all those workers who lost their jobs in the manufacturing sector and are still waiting for this government to do the honourable thing, to introduce adjustment programs for those workers who have been displaced.

In a very short time this government has clearly indicated to Canadians that it does not stand on their side. We have been waiting for years for those programs to be implemented.

As for the question of—

Mr. Blenkarn: Answer yes or no.

Mr. Bevilacqua: I see that the hon. member for Mississauga is getting quite excited about the speech which I delivered which clearly outlined the direction we are going.

Unlike the past, they were waiting for an opposition speech that was just going to oppose their policies. I tell them, and I do not think they are ready for this, that there is a new Liberal Party out there that is going to promote modern policies as I have done today.

• (1225)

On the issue of global trade, let us not kid ourselves. Something that is fundamental to Liberal economic policy is the fact that we are great believers in global trade. We will take all measures necessary to bring about the type of export trade and relationship between Canada and other western hemisphere countries whereby Canadians will have jobs for the 21st century.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I thought I had heard everything here in this House, but I must say a renaissance of the Liberal Party with the help of Camil Samson or Don Johnston stretches the imagination somewhat.

I had a meeting not long ago with the Quebec Food Retailers Association, and I would like to ask the hon. member a question about the tax on cigarettes in Canada.

Food retailers in Quebec are complaining that the excise tax on cigarettes in Canada is so high that it encourages smuggling. According to Quebec retailers, both levels of government—federal and provincial—should reduce taxes to make smuggling less profitable. They believe this would reduce crime in an area where the situation is comparable to what happened under prohibition in the United States.

Like my colleagues, I would appreciate a clear answer from the hon. member. If he wants a healthy economy and a low crime rate, would he approve of reducing taxes on cigarettes in order to fight crime linked to smuggling?

[*English*]

Mr. Bevilacqua: Mr. Speaker, as I said earlier, we as a party are reviewing the tax act simply because we have to look at modern day reform so that we can have a fair and more just tax system, unlike the one that the Conservative government has implemented.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, this is a very important debate today because it gives us an opportunity to put the facts before the House as to just what is going on in this country.

The Conservative government and the members opposite seem to have this illusion that the country is doing really well. I want to put a couple of facts before the House today and then ask my colleague to respond as to what the Liberal Party's position is on this particular issue.

For example, business bankruptcies in Canada in 1990 were 11,642 and in Ontario they were 2,907. In 1991, business bankruptcies in Canada were 13,496 and in Ontario 3,629. In 1992, business bankruptcies in Canada increased to 14,317, and in Ontario they increased to 4,240. I would suggest with the way things are going that in 1993 either there will be no businesses left to go bankrupt or there will be an increase to a record number in 1993 as well.

I would like to ask my colleague the following. One of the issues that the Tories like to talk about is that they are the party that represents the business community and in fact represents small business. I would like to know why it is that the Tory party and the government have not seen fit to help the small business community in this country, where we know jobs are created, to deal with these record numbers of bankruptcies and these record numbers of job losses. I would like to know if there is another way of approaching this which will be much more appropriate so that we can get the record number of people who are unemployed in this country under this particular regime back to work.

• (1230)

Mr. Bevilacqua: Mr. Speaker, I thank my hon. friend for his question. Fundamentally, there is a need for doing new things in this country and we must engage the small business community.

There is a whole new world out there in relation to technology, for example. We as a government will attempt and will succeed is speeding up technology acquisitions by small businesses so that they can modernize the various industries. We will help them achieve new exports in markets they have never considered before.

The relationship between small business and the Liberal Party has been an excellent one over the years. That is because we have always been not on the back of small business but on its side.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I thank you for the opportunity. I would like to ask my Liberal friend from York North a question.

He made a couple of comments relating to the team of the Leader of the Opposition. I think he called its commitment "the J.C. team's commitment to operate within certain guidelines or parameters". I hope his memory goes back to the early 1980s, about 1983. I am just wondering whether those economic parameters the Liberal Party is committed to are somewhere between zero and the 12 per cent inflation that we had then, between zero and the 24 per cent interest rates we had then, and between zero and the 13 per cent unemployment rate we had then. Are those the parameters the new Liberal Party commits itself to?

Mr. Bevilacqua: Mr. Speaker, one thing I am going to do is tell the hon. member that we will in no way, shape or form imitate the provincial government in Ontario. It has created an unbelievable mess in the Ontario economy.

We are committed to bringing a new economy to Canada. That is our commitment. We will do it with fiscal responsibility, with progressive programs and with the type of economic changes in institutions and in government that will bring prosperity back to Canadians.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I am glad the hon. member for Broadview—Greenwood is welcoming me this morning. I always enjoy seeing him sitting in the House heckling. I am sure he will do a fine job today as he usually does, along with his friend from Kenora—Rainy River. I am looking forward to participating in this debate.

I looked at this motion and could not believe it, even now after hearing that speech by my hon. friend from York North, who is a neighbour of mine in the political scene in Canada. He was talking about the new party. This fresh new Liberal Party is going to come here to Canada and save us from ourselves.

This fresh new party is led by an individual who was in the House of Commons when John Kennedy was president, when Harold Macmillan was prime minister of Great Britain and when de Gaulle was president of France. Instead of aftershave there is that faint smell of embalming fluid coming across from that side of the House. There is nothing new about that party, nothing at all.

My hon. friend talked about the tax system and how they are going to look at the tax system. I have news for him. This is his first term so he is probably not aware of what went on before or he has not studied it.

The last time the Liberals did that they appointed a royal commission on the economy. It was led by a very distinguished Canadian, a former parliamentarian, a Liberal cabinet minister by the name of the Hon. Donald Macdonald. He along with many fellow Canadians from all walks of life spent a number of years looking at the economy of this country and what had to be done. The report came out in late 1984. What did it recommend?

Mr. Mills: An adjustment program.

Mr. McDermid: It recommended a free trade agreement with the United States. It recommended a consumption tax. It recommended that we do away with the manufacturers' sales tax and have a consumption tax. It made other recommendations, including reducing the number of categories in income tax. All these have been accomplished by the present government. They have all been accomplished.

• (1235)

The hon. member said there was no consultation on the goods and services tax. That was the blatant statement he made today. Again, he was not here during that period from 1984 to 1988. Immediately after the recommendations came out from the royal commission many hearings were held by the finance committee, by the government across this country.

In 1986 three options were presented to the Canadian government. Consultation took place until 1988 when the government made the decision before the election that there would be a goods and services tax. Believe it or not, we campaigned on it in 1988. We laid it out to the Canadian people and we campaigned on it. As I remember, we had a very good majority government in 1988 and so we implemented the goods and services tax.

I understand the hon. member's enthusiasm being new here and I applaud him. In his comments he said he was going to accomplish all those wonderful things: deficit reduction and at the same time we are going to increase foreign aid; we are going to increase help to small business; we are going to increase adjustment programs; we are going to increase this, we are going to increase that; and, by the way, on the GST we are going to have a parliamentary committee look at it for a year and then maybe we will come up with an answer as to what we are going to do. If the parliamentary committee's recommendation were to keep it as it is, would they keep it as it is?

Would they keep it as it is if that was the recommendation? No answers. Let the record show there are no answers coming from over there, none whatsoever. Read that speech this morning. It is just wonderful platitudes.

I understand the depression coming from over there. There is a reek of fear from the benches across the floor because they are watching their political prospects fade as Canada's economy gets stronger which is to the real benefit of Canadians. That is why they are worried over there. They are also worried when the Conservatives come in with a new leader that they are going to be wiped clean. That is another thing to worry about, but we are not going to talk about that today because that is not included in the motion.

I heard the hon. member talk about a flawed free trade agreement and how terrible it is. They have seen Canadian exports reach a new record in January of $14.6 billion. We achieved the largest monthly merchandise trade surplus since March 1985. Last week Statistics Canada reported that employment rose in February, the ninth gain in the last 10 months. There are 156,000 more Canadians with jobs today than there were last August.

They do not like this kind of news. They sit over there yelling and screaming. They do not like good news. They want to keep everybody depressed in this country. They want to keep them down for their political advantage. They want everybody really feeling badly about themselves.

This morning I thought we were at a funeral listening to his speech. This did not sound like a brave new political party. It sounded like somebody moaning and groaning because he knows full well that his seat is in bad shape right now. It is in jeopardy and he knows it.

We are holding inflation at the lowest sustained level in decades. That is an achievement Canadians are taking to the bank.

Mr. Mills: You will not win a single seat in metro.

Mr. McDermid: The hon. member for Broadview—Greenwood must have got up late this morning and did not read the latest Angus Reid poll. I am sorry. He must have missed that quite conveniently somehow on the weekend. He must have been up at his farm riding his horses or something all weekend and missed it.

An hon. member: That is why they are so edgy.

Mr. McDermid: The interest rate on a one-year conventional mortgage is back down to 7.25 per cent. That is half of what it was a couple of years ago. On a standard $100,000 mortgage that translates into a monthly saving of $480 or $5,700 a year. That is good news for Canadians. It is more disposable income in their pockets.

• (1240)

The other thing I am finding that Canadians are doing about that is they are making the same payments and paying down their mortgages much quicker. One family told me that with the change in the interest rates it is knocking five years off the length of time to pay their mortgage.

This is a distorted motion. It implies that the opposition members could advance policy alternatives that could have stopped a global recession that affected Canada. However they rarely specify these alternatives.

This morning there were no alternatives. They were all platitudes. It was all wishy-washy stuff. Anybody could stand up and say that. The hon. member did not say how he was going to do all these things. "We are going to help small business. We are going to help small business obtain technology". How? Through grants? Through loans? How are we going to do that? Tell us how we are going to do that. He does not know.

The policy agenda the Liberals have to offer is a matter of record. We just have to remember the seventies and early eighties.

I just picked up the red tide, *The Toronto Star*. The Liberal power in the city of Toronto is this great paper, *The Toronto Star*. Beland Honderich, when I spoke to him, did not shy away from that. He said: "I am Liberal and proud to be and I will keep pushing the Liberals as long as I can". Here is a great article: "Seeds of Disaster Planted in 1975". We know the fiscal record of the Liberals. The people know it too and they do not want them back.

Here is what the Liberals do. We heard it today.

An hon. member: Polls are for dogs.

Mr. McDermid: Oh thank you, John Diefenbaker, that was very good. Now the Liberals are quoting John Diefenbaker. I just heard the hon. member quote John Diefenbaker. That is great.

There are the Liberals and we heard it today. They believe that when the country has a problem they borrow more money. Their philosophy is: Do not worry about higher taxes tomorrow; just spend your way through the problems today and the hell with tomorrow. We had to pick up tomorrow and we know that tomorrow has to be thought of all the time. The leopard has not changed its spots. The Liberal leader and his mouthpiece today talked about deficit and debt control but did not dare identify a target.

The most he would say is that he would cut the deficit as a share of the gross domestic product. We have done that by half. Since we came in we have cut the deficit as a percentage of the gross domestic product by a half. How much will they cut it? Will it be a dollar, will it be 0.0001 per cent of the GDP? They are just not saying.

At least that other party over there, the New Democratic Party, as part of its pie in the sky program claims that it can cut the deficit by billions in five years. Nobody believes it, but that is what it says it can do.

Nobody in Canada nor in this government created the underlying problems that made Canada so vulnerable to a recession. What we have done is put in place solutions based on years of tough decisions and consistent effort to position Canada for growth in the 1990s and into the 21st century. If we want to see this growth continue and accelerate we must stick to the policies that are clearly proving their worth. These are policies that are reflected in the forecast by the OECD, representing 24 of the world's major industrial nations, that Canada will see the best growth of any G–7 country this year and next.

That is better than the U.S.

An hon. member: Wow.

Mr. McDermid: The hon. member sits there and says: "Wow". It is better than Japan, Germany, France, the United States, Italy and the United Kingdom. That is pretty damned good with the economic situation we have now. But oh, no. My hon. friend goes around moaning and groaning, with his face hanging down, about how terrible things are in this country.

The hon. member says that things are so bad and if we just elect the leader of the Liberal Party we will get out of it. That is all we have to do. I am going to say that his record as finance minister, his record on the Treasury benches, is one of the worst this country has ever seen. I am not sure he has the credentials to even lead a party, let alone be the Prime Minister of this country. That is for sure.

Let me remind the House of some of the economic realities we faced and the steps we had to take to repair the economic damage done by the previous government to set Canada on the path to sustainable economic growth and job creation.

• (1245)

The hon. member for Broadview—Greenwood would like to see me resign. He would like to see me resign because I am such a threat to them.

There was a TV show once about the opposition called *Fantasy Island*. The rest of Canada lives in a world economy marked by two overriding economic realities: constantly increasing competition and growing national interdependence. No company or country can count on safe markets or secure customers.

The big breeze from Kingston just blew in. By golly the roads must be clear between Kingston and Ottawa. Look who has just arrived. The hon. member from Kingston just got here from—

Mr. Milliken: From committee.

Mr. McDermid: —committee. It is nice to see him up and around at this time of the day.

As well, no country is immune from global currents. We are all linked in a world-wide web of financial markets, shared economies and trade partnerships. This is particularly true for Canada because trade is our bread and butter. It supports one in four Canadian jobs. Yet both opposition parties have opposed the free trade agreement. They are talking about opposing NAFTA. Maybe they will not, maybe they will vote for NAFTA. Maybe they will support NAFTA yet. I should not jump to conclusions too fast.

Few of the major industrial economies are doing well. We are currently performing better than most, given that we saw fourth quarter growth of 3.5 per cent on an annual basis at a time when the German and British economies were shrinking and those of France and Italy were flat. Japan is expected to only grow by somewhere between 1.5 per cent and 3 per cent this year. The fact is that there is no way Canada can isolate itself from the consequences of global economic weakness. There is no way that our workers and companies can succeed and grow unless we become more competitive and more productive.

There was an interesting article in *The Globe and Mail*. In the "Money Matters and Amazing Facts" section the headline read: "Factories making more with fewer people". The article continued: "Companies that survived the recession did so mainly because they invested heavily in new machinery and equipment that would let them produce more with fewer people. As a result, factory output has increased by about 7 per cent in the past year even though the number of jobs is up by less than 1 per cent. And although the pace of job creation in manufacturing has picked up steam in recent months the trend to higher productivity is likely to continue for some time yet and always does".

Mr. Bevilacqua: A jobless recovery.

Mr. McDermid: My hon. friend says it is a jobless recovery. What he should be saying is that we have become more productive and therefore we can sell more in the world today. In selling more we are going to increase business and that will create employment. He must understand that is what follows. It has to follow. He does not understand that but it has to follow.

The hon. member must also understand that in every industrialized country in the world manufacturing jobs have decreased. Does the member deny that? Does the member deny that in the major industrialized countries in the world manufacturing jobs are disappearing? Does the member agree with that or not? He does not know. He does not know. He does not have a clue.

We remember when the Liberals were in power and spending $1.33 on programs for every dollar of tax revenue they brought in. We had to turn that around. We now have a surplus on our operating budget. It was tough to do and it is going to continue to be tough.

The Liberals are living in a dream world if they think they can carry on and not worry about deficits and debts.

Mr. Mills: He said it in his speech. We talked about it.

Mr. McDermid: He did. At the same time he talked about how many programs he was going to increase spending for but would not say where the money was coming from. He was going to cut taxes for the middle class. He was going to give more to small business. He was going to give more to foreign aid. He was going to do all these things and reduce the deficit. That is wonderful. We will be very interested in seeing this great smoke and mirrors achievement.

They can say all these things now very easily because they are in opposition and they are not going to be over here to implement them. All I can say is: Thank God for that.

• (1250)

He was talking about the GST today. He was saying that he was going to change the GST. They are not sure how they are going to change it, when they are going to change it and what it might be. They talk about maybe a hidden tax that will cover everything. That will be the GST two, the Grit's sneaky tax. That is what that stands for.

We took a lot of flak over implementing the GST. However, it was the right decision, our growing exports proved that point. The GST has reduced—

Mr. Milliken: Rubbish.

Mr. McDermid: Here is the expert from Kingston. A great businessman, he understands all this very well. The GST has reduced the cost of capital investment for firms by about 4 per cent. The Canadian Manufacturers' Association has estimated that by eliminating the federal sales tax manufacturers improved their competitive position by $3.5 billion in one year. These are not the government's figures, my figures, the finance minister's figures or the Prime Minister's figures but the Canadian Manufacturers' Association's figures.

Mr. Milliken: All at the expense of the consumer.

Mr. McDermid: Nonsense, absolute nonsense. In the 1992 budget we reduced personal and corporate income taxes and improved the capital cost allowance for manufacturing and processing firms.

Mr. Milliken: Tory times are tough times.

Mr. McDermid: Here we go. Here is the old cry. The opposition is in bad shape today. It is in terrible shape, not only in terms of ideas but politically. The Liberals know it. This week we heard their own leader talk about cry-babies and nervous nellies. He said: "Come on guys, buckle up. Come on, get behind me because I am a little

nervous now too and I need all the propping up I can get".

We have taken some very tough decisions over the last nine years. They have not all been politically popular but they were revolutionary. It is beginning to be proven that we made the right decisions. Canada is going to come out of the recession that we have experienced over the last couple of years with flying colours. The Canadian people understand the fiscal situation and will be prepared to reward the Progressive Conservatives with another majority government this year. There is no doubt about it.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to be constructive in my remarks to the member.

In mid-December the Minister of Finance made an economic statement. He put forward an idea called amendments to the Small Businesses Loans Act. In his remarks the Minister of Finance made mention of the fact that the greatest hope for new job creation in this country lies with small business. We on this side of the House support that position.

When the piece of legislation, Bill C-99, came to this House we co-operated in committee and we co-operated in the House to put this bill through the House because we feel that the 960,000 small businesses eligible under this piece of legislation should be supported and should be encouraged.

With the previous initiative, the prosperity initiative, after second reading the government spent millions and millions of dollars promoting it, promoting the "we can do it" campaign.

• (1255)

This piece of legislation will go through all readings in the House of Commons. It is receiving royal assent today or tomorrow from the Senate. The government knows the bill is going through; it controls the Senate. If it is so committed to small business then why will it not communicate it to the people of Canada, to the small business people of Canada, the people who are thinking of going into business, the people who will create the jobs, who will end up moving from welfare rolls to job creation and paying taxes? Why will it not get behind its own legislation? In the last two weeks I have heard about no less than 20-odd small businesses that have gone to the Bank of Montreal, the Royal Bank, the CIBC and the list goes on. To this day everybody is saying: "We do not know about it".

I promoted this bill and I have been constructive on this bill. However the government is not communicating it and it is thereby frustrating its own efforts to put people back to work.

I ask the minister in a constructive way: Why will his government not communicate to the people of Canada that this piece of legislation exists?

Mr. McDermid: Mr. Speaker, we will. There is no question about it, but comparing it with the "yes we can" campaign is kind of like comparing apples and oranges. There is no legislation dealing with the "yes we can" campaign. I am glad the hon. member supports that piece of work because I thought it was very good to highlight two Canadian companies that have done well. The hon. member knows full well, and I think he will agree with me, that every time we pick up the paper it says: "We have not been able to compete" or mentions that another company had closed or whatever.

We were trying to say to Canadians: "Don't get down. We have great companies in this country and, yes, we can," and instil some pride. A lot of those "yes we can" companies were small businesses.

Mr. Mills: Small Businesses Loans Act.

Mr. McDermid: The member had his little five-minute say. Let me answer the question in my own way, if I might. I did not interrupt him. Maybe he would give me the same courtesy.

Mr. Mills: He interrupted incessantly during my speech.

Mr. McDermid: He did with me too, so let us call it even. The "yes we can" program was a very successful program that was well received by the public, there is no question. However there was no legislation involved in it. We will promote it once this legislation is through and the minister of small businesses has met with the banks and has their assurance that they will work with the program. I think the banks want to see the legislation through before they start promoting it. It receives royal assent today or tomorrow, as the hon. member has pointed out, and we will be doing what is necessary to promote it because it is a very important piece of legislation.

We do not bring legislation to this House and then put it on the shelf and forget about it. The hon. member knows that. He is trying to make an issue out of something that really is not fair at all. Once the bill is passed, our government will do what is necessary. If we brought out brochures and information packages, et cetera, before this bill was passed the hon. member, his leader and the rest of them would be up on their feet moaning and groaning about being out ahead of a bill. How can we promote this stuff before the bill is passed?

It is a weak argument.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I have the feeling I am in a love-in between the other two parties. If I may perhaps have your attention.

I would just like to ask a question of my colleague. I followed what he said with a great deal of interest and many of the things he said were pretty factual.

What I would like to ask him concerns a problem I am having with this whole question of free trade. Small businesses that have contacted me are very much concerned about the new free trade agreement that we may have with Mexico and the United States. Some of the small business people have told me that they have already had their business negatively affected by free trade with the United States. I see the Conservative tradition being established by the Parliamentary Secretary to the Minister of National Defence saying he is against the helicopters while the Minister of National Defence says she is in favour of the purchase of the helicopters. Perhaps the minister could respond in a very objective manner, even if it does not go along with the party's policy and the general response given on free trade. It is the following question.

• (1300)

Inasmuch as certain businesses are going to be affected, negatively I am sure, and the American government has asked that there be certain ironclad, parallel agreements before going further, does the minister not think it would be prudent for Canada, before we go any further with NAFTA, to seek similar types of guarantees—I am talking about environment, working conditions and so forth—and do that at this stage as the United States is doing?

There are two reasons. First, in a substantive sense it would help us be more protective of our own jobs. Second, in a symbolic sense it might show that we are demanding certain concessions from Mexico that the U.S. is demanding from Mexico. We are doing this in a united way. I am not talking about government policy or government response. In free trade, would it not be more prudent to wait for those parallel agreements to come about before we go further?

Mr. McDermid: Mr. Speaker, the short answer is no. I will expand on that if I might.

We requested accords much like those being debated now a year ago February. That is on record. There is no question about that. At that time the administration of the United States turned it down.

In a speech some time in October the then candidate for the Democratic Party, Bill Clinton, stated that he would like some side agreements on the environment, on labour and on what we call snap-back or provisions that would protect sudden surges from countries into their marketplace of certain products. We had no problem with that and we are at the table with them as an equal partner. The three countries are negotiating these things.

At the same time, the NAFTA is not going to be changed. That was reinforced again by the President and by the negotiator just in the last week. They are not going to change the NAFTA. These are separate agreements that are being negotiated. As a matter of fact, the one on the environment and so on is one that we had promoted for over a year. We feel very comfortable in sitting down and negotiating these with our two partners in the NAFTA.

Each legislative body in Mexico, the United States and Canada has started to examine the NAFTA. It has not been put on hold in any one of the jurisdictions, including the United States. That procedure is going on. We are saying that while these side agreements are going on, which will not affect the NAFTA one iota—it is not going to be amended—the procedure will take place because all three countries are committed to implementing it on January 1, 1994. Again that was reiterated by the—

The Acting Speaker (Mr. DeBlois): Order. Resuming debate.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, the member for Chambly and I are splitting the time.

I am pleased to be involved in the debate today on the opposition day's motion which says:

> That this House condemns the government for its policies that have stifled economic growth, destroyed Canadian jobs and exacerbated the recession.

• (1305)

It probably should have read depression, but it is a good start. It certainly is descriptive of the problem we find ourselves facing.

I would like to address some of the things brought in by this government which my party and I consider to have been so devastating: the free trade agreement, the proposed North American free trade agreement, deregulation, privatization and changes to unemployment insurance, not one devastating change but at least two of them. I should mention the off-loading on to the provinces. I will not go into all the ramifications of that, as well as the GST.

Certainly there have been clawbacks. I do not suppose there will be time to go into those in any great depth but there were the clawbacks of the seniors' pensions and the changes to family allowances for children just in case I do not get back to that topic. It certainly has crossed my mind to wonder why the government has to try to correct Canada's economic problems—and we will get to the source of those as well in a moment—on the backs of children and seniors.

I think I heard the Minister of State for Finance and Privatization say that for the most part what the government did was implement many of the proposals in the Macdonald royal commission which was set up originally by the Liberals. He was berating the Liberals for not having taken cognizance of what the commission that they themselves set up proposed for the country.

I would like to point out that in the context of the Macdonald royal commission, the then national director of the United Steel Workers of America was the co-chair and the director of the union to which I still belong and with which I was involved for quite some time, issued a minority report on that commission. I think that is important.

I also believe that I heard the Minister of State for Finance and Privatization quote an article from what he referred to as the "red paper". I think that is *The Toronto Star*. Being from the hinterland of Saskatchewan I am not too familiar with the eastern newspapers. *The Toronto Star* said that the seeds of disaster which confront Canada originated in 1975. I certainly would concur with that because of course the problems facing this country started under the Liberals and as the Minister of State for Finance and Privatization has admitted, continued under the Liberal-sponsored royal commission into their administration.

They do seem to have a certain affinity for each other. I noticed just a while ago we had a Question Period which I think could be described as a truce. Certainly the amount of heckling that went back and forth between those two parties subsided considerably. I think that was out of respect for each other's potential embarrassment if they got into too deep a discussion of any of the issues.

In the province of Saskatchewan since the free trade agreement came in—I will not go into all of these—in the goods producing industries there has been a decrease of 17 per cent in the jobs available; in the mining, quarrying and oil industry a decrease of 17 per cent; in manufacturing it has been 16.5 per cent; in durable goods there has been a decrease of 27 per cent; in the production of beverages—this goes into the aspect of how interprovincially the free trade agreement has affected trade within Canada—the decrease has been 36 per cent and in building, development and general contracting there has been a reduction of almost 40 per cent. The list goes on and on.

I would like to point out that the government spent millions of dollars in media advertising trying to convince Canadians that the free trade agreement was so good. It spent almost $2 million on radio commercials and almost $1.5 million on a brochure which it sent to every household in the country. The tabloid told us that free trade had boosted exports, created jobs and helped cushion the recession. What it did not tell us was that an additional 600,000 Canadians had joined the official unemployment rolls since January 1989 and that the unemployment rate had risen from 7.6 per cent to 11 per cent or 1.6 million in total. In Saskatchewan the unemployment rate since free trade came in has gone from 7.4 per cent to 9.1 per cent. The tabloid did not tell us that bankruptcies had increased as much as they had.

• (1310)

The tabloid asked us to consider the growth statistics from 1981 to 1991. Furniture was up by 28 per cent, textiles were up by 89 per cent and plastics were up by 16 per cent. What it did not tell us was that in the textile sector almost 22 per cent of the jobs had been lost; an increase in unemployment in that sector of almost 13,000 jobs. The plastic sector had a loss of 22,000 jobs. What it did not tell us also was that there had been a drop of 11 per cent in production in the auto parts industry. In addition to the 30,000 jobs lost in the machinery producing industry, there had been a drop of 20 per cent in production.

The pamphlet also pointed out, and it was well worth remembering, that every billion dollars worth of exports creates 15,000 jobs. In the period between 1989 to 1991 it said Canadian exports grew by almost 11 per cent. It is talking dollars, but what it did not tell us is that if we take into account inflation and a change in the value of the Canadian dollar, our exports increased not by 11 per cent, but increased only two-thirds of 1 per cent. At the same time and under the same criteria the imports into the United States from Canada increased by 2.9 per cent.

It is important that one defines the terms in which one is speaking. Inflation and the value of the Canadian dollar made all the difference and the amount of increase was simply insignificant.

There is not going to be time to talk about the devastation the government has caused through changes to UI. It is obvious that whether we are talking in terms of the Liberals or the Conservatives, the devastation to the nation has been the same and both have contributed to it, perhaps not equally, but they certainly share the responsibility for having taken Canada into the depths it is in.

I was interested the other day when the member for South Shore was berating the critics of the North American free trade agreement. He said that we had to stop hiding behind this high wage wall. I do not think we have to stop criticizing the free trade agreement. We have to criticize it as strongly as we can for the simple reason that it is not a matter of Canada hiding behind a high wage wall. If we look at our competitors, those who I think can be genuinely called our competitors, or most of the European countries, they have significantly higher wage rates than we do, even with the United States dollar being the standard against which we measure them.

Many of our competitors have higher wage rates than we do. It is unconscionable for someone in the government to say that we have to stop hiding behind high wage rates, implying that what we are supposedly as Canadians willing to do is take lower wages. I cannot imagine for what reason.

I see my time has expired, Mr. Speaker. I assumed there was going to be enough time to address all the issues. I thank the House for the time that I have had.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I am pleased to respond briefly and ask a question of my hon. friend.

I am flabbergasted. In the last two years we have had more snow in the maritimes than we have had for 20 years. I cannot believe my hon. friend did not blame that on the free trade agreement too because it seems he has blamed everything else on it.

• (1315)

It is interesting. He says that increases in unemployment have occurred since the free trade agreement came in. Timing-wise he is right. We, along with the rest of the world, have been through a major recession. If there are no barriers around Canada then my hon. friend is not seeing through the invisible whatever is there.

Interesting. Let me just read him a quote or two. I know he will not take my word for it because for some reason he is a bit suspicious of what I might say. Listen to this one. "Far from creating the recession the FTA has softened its effect. The recession has been global and coincided with a fundamental restructuring of the world's economy. Critics too often attribute the effects of both recession and restructuring to the demon FTA, when without the FTA and those increased exports Canada's recession would have only been far worse and restructuring more difficult".

What lofty source do we have here? Would you believe it is *The Toronto Star*? That is what *The Toronto Star* said.

Then this one: "Free trade critics are confusing the facts. They are blaming the FTA for job losses that are attributable to a variety of other economic circumstances, such as the recession. There is also evidence that the FTA rather than hurting the economy may have actually offset some of the damage that the recession has done to the Canadian economy today". That is from the Conference Board of Canada.

Here is another one: "The perception in some quarters that the FTA has had a negative impact on the economy is not supported by the evidence. Canada's access to the U.S. market has improved since the agreement with 15 of 22 Canadian industry sectors gaining market shares. Canada's exports to the United States have reached record highs and net foreign direct investment inflows turned positive in 1990 and 1991 after nearly two decades of net outflows. Canada has already benefited from the FTA in a number of ways".

That one is from the Royal Bank of Canada. I could go on, but I will simply conclude by asking my hon. friend, if he is correct and the FTA is the source of all these problems, to explain to me why they have had a recession in Germany, Japan, France, the United States and every other industrialized country in the world?

Mr. Fisher: Mr. Speaker, I certainly appreciate the hon. member's question. I am still completely puzzled by his statement the other day in the House directed toward critics of the free trade agreement that we had to stop hiding behind a high wage wall.

I have the figures here somewhere. If we look at the European economies they range from a high for total compensation, wages and benefits, I believe Norway is on the top with Germany and the Scandinavian countries coming just slightly below, of somewhere around $24. Canada, out of 13 countries, comes in eleventh.

I do not hear the member from South Shore and I do not hear anyone from the government suggesting that the European countries which certainly are competitors ought to be lowering their compensation rates for wages and fringes to their employees. I have the impression that they are doing very, very well, thank you, as far as their economy is concerned. The German mark has almost supplanted the American dollar as being the standard by which progress is made.

Mr. McDermid: Boy, are you behind.

Mr. Fisher: Well, perhaps, but if you want to use the American as the standard, the world's greatest debtor nation, I suspect that there really is not much efficacy in doing that. The United States is hardly something to look upon.

I am rather curious about the member quoting the Conference Board of Canada. I could be wrong, but was the Conference Board of Canada not one of the boards that the government dismantled in the mini budget in December?

An hon. member: No.

Mr. Fisher: No? Well, it is slated. The only reason the government has not got rid of it then is that it is a private body. Any other bearer of bad news, it certainly does a good job of eliminating. I find it appalling that the member would stand up and try to defend the government's abysmal record.

• (1320)

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I came here and I listened to what I know is the opposition motion today which essentially says that the government, the Conservatives, are responsible for the economic mess that we find ourselves in. I do not buy that. I do not think it is true. I do not think it is right what the Liberals say in their motion today, that all of our problems economically, the recession and everything else can be laid at the door of the Conservatives.

A lot of things can be laid at the door of the Conservatives. I do not particularly like the idea to purchase helicopters for $5.8 billion. I think it is wrong. I think it is a wrong idea. The parliamentary secretary to the minister of defence thinks it is a wrong idea. I think it is time for us to look at a little bit of sharing the blame because we have to admit that when the Conservatives came to power, they were saddled with a pretty heavy deficit.

We have to admit that when Bob Rae came to power in Ontario the Liberals did it to him. They left him with the cupboard bare. You have to admit that when Mr. Romanow—and I cannot blame this on the Liberals—came into power for the NDP in Saskatchewan the Conservatives did to him what the Liberals had done to Bob Rae.

Let us discuss things, if we are going to discuss things in this House of Commons, along factual lines. We are all to blame for spending getting out of control. It is out of control still when we look at the helicopter purchase. It is out of control still when we look at the federal deficit, which is almost $500 billion.

When we talk about free trade it is almost like the weather because it is there, it has been voted and we have it. If it is raining or if it is shining, one side or the other always tries to blame the other for that particular meteorological phenomenon.

If it is raining, if we are losing money, it is free trade. If it is shining you can be sure that if the economy has a little blip where it goes up, the Conservatives are going to say: "You see how good a deal our free trade arrangement was".

I do not think Canadians are buying this argument. I do not think Canadians watching the motion being debated today are particularly happy to see the bantering back and forth where the Liberals are saying you guys are incompetent and the Conservatives are saying you Liberals are incompetent. The message it sends to the people who elected us is that both political parties are incompetent. They are the ones who have managed the public purse for the past some 30 years where most people remember the economy just going into the pits.

Think of the message that we are sending to the people who have elected us. The Liberals are calling the Conservatives no good, the Conservatives are calling the Liberals even worse. What is the solution?

An hon. member: Vote NDP.

Mr. Edmonston: No, I am not necessarily saying vote NDP. I think you have to look at the facts. There is something which must come out and it is this. There are three provincial NDP governments, that is true. Those governments have been hit by the cupboard being bare, by what I would call disingenuous rhetoric from the other parties saying: "Oh well, the cupboard is bare, we did not say it during the election but that is what happened. You are the new government. Do something with it".

I am going to ask the Canadian people to do this. Look at how well our governments are going to do provincially. I think they are going to do very well even though they have been asked to run a marathon with what I would call lead Reeboks because the recession and the overspending of the governments provincially have given a good opportunity for the NDP to show what it can do as a good government.

I think things will work out in Saskatchewan. They will work out in Ontario and I think they will work out in British Colombia.

• (1325)

It shows that contrary to what most people believe when they think of the Conservatives as excellent money managers or the Liberals as almost as good money managers, they are the chief architects of the terrible situation of unemployment we find, of the number of people on welfare and of the bankruptcies. They are the chief architects of this situation that we find ourselves in right now.

I do not think any one particular party has a monopoly on the culpability for what has happened. We are all responsible, but our party, the NDP, has a unique chance to prove what it can do when the going gets rough. I think we are going to do that. As we go on, probably in the next year or so, particularly with what is going on in the United States, the economic climate is going to improve somewhat. We are going to be able to have a chance to do the best with what we get, and I think we are going to be getting a better economy.

When we are talking about the situation as it is right now, and what we can do to improve it, the obvious thing is to cut spending. That means thinking the unthinkable. It means looking at universality closely. It means shifting and refocusing money perhaps from one sector, senior citizens, to another sector, youth. Those are hard decisions. We are going to have to look at bilingualism and how much we are paying for it. We are going to have to think the unthinkable, not along party lines but along common sense lines.

While we are talking about the Triple E Senate; equal, elected and—I am trying to think of the other E.

An hon. member: Efficient.

Mr. Edmonston: I am sorry. Efficient, yes. Efficiency was forgotten a long time ago. However we should look more closely at a Triple E government in which we concentrate on education, the environment and, above all, the economy. That is the Triple E that we have to concentrate upon. So stop blaming each other and let us

get down to work, because if we want the people behind us, if we want them to elect us or support us, we had better speak their language. This morning we did not speak their language.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I just have a brief question.

I was very interested in the hon. member's comments and I agree with him. That is what our government has been trying to do. We have been trying to take a look at the economy to see where we can streamline and cut back on our spending and so on.

Do the hon. member's colleagues within his party agree whole-heartedly with what he suggested we do today, such as looking at universality and some of the other issues? Do they support that?

Mr. Edmonston: Mr. Speaker, not only members of my party but also those in the provincial governments support that position. If we look at their actions right now we will see them coming to grips with the reality of not having the money to spend that we have had in the past. It means that we have to take a hard look at universality. It means we will have to take a hard look at what is theory and what is reality, what are resolutions, and what has been past policy and try to put that in terms of today's reality.

There is a revolution going on. It is a revolution in thought. It is a revolution not along party lines on ideological lines but a revolution in which people are now asking not what is good for them but how much it will cost. That is an essential key to getting the public's confidence. How much will it cost? Can it be done efficiently? Is it practical? If we start thinking along those lines, no matter if we are Liberal, NDP or Conservative, we will have no trouble getting the public's vote.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science Technology and Minister for International Trade: Mr. Speaker, I am tempted to ask my hon. friend, as he talked about controlling expenditures, if he would explain why the NDP government in Ontario increased its spending by 13 per cent last year.

The member raised the subject of EH-101s and says that the helicopter contract should be cancelled. I have been a little bit confused by statements coming from his party about this because on the one hand his leader says the NDP wants to create jobs and yet the EH-101 contract will create 45,000 person-years of employment, and these are high-tech, good and valuable jobs that will position us well for future contracts.

The member's leader says that we need to have air-sea rescue helicopters. What on earth does she think the EH-101s are? When the minister of defence increased that order a year or so back from 25 to 50 it was so that the best helicopters in the world would be available to provide search and rescue for our fishermen and other seamen, so that we would have that equipment for fisheries patrol and also so we would have it for drug surveillance.

• (1330)

I suppose what they want to do is get rid of the Armed Forces. I do not know. What is the point of having state of the art equipment like our general purpose frigates and then not putting the equipment on them that is necessary to enable them to be efficient.

I have three questions. How would he equip the Armed Forces? What would he do with the general purpose frigates, of which nine are floating now, if we are not going to have the helicopters for them? How would he provide for the necessary fisheries patrol and air-sea rescue without the EH-101s?

Mr. Edmonston: Mr. Speaker, I would like to preface my response by saying that having served in the military for three years and having been honourably discharged I am very supportive of our military. It is important that we have a strong military. However when we have—

Mr. McDermid: The American military.

Mr. Edmonston: The American military.

Mr. McCreath: We don't hate the Americans in here, we think they're all right.

An hon. member: They are our NATO allies.

Mr. Edmonston: We have to be careful when we are dealing with the purchase of these helicopters. I believe that these military helicopters are not suited for the job *per se* because of reports I received. We already have read in the newspapers that these are essentially sub-hunting helicopters. They have been called Cadillac helicopters.

On the other hand when we try to reason that it will create jobs we have to create smart jobs that will be maintained other than by federal government grants. That is one of the reasons why the former minister of defence, who was always pleading for Quebec, was saying: "We need this business in Quebec. We need our booty". I was always against that because all of Canada needs jobs. We need sustained jobs and not jobs that depend upon the government handing out gifts to different contractors, even if they do come from Quebec. I do not accept these kinds of make work programs for equipment that we do not need to do that particular job.

In terms of the rescue aspects of these helicopters, I have seen reports that the prop–wash from these helicopters when rescuing someone in an ocean environment would actually drown them. Do not tell me that these are needed, either for rescues or for jobs.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I am pleased to participate in this debate today. I want to compliment my colleague, the hon. member for York North, on his very fine opening speech in this debate. I understand I will be sharing my time with my colleague, the hon. member for Ottawa South.

Next month Canadians will cross a dubious milestone. In April Canada will have spent three years mired in the grip of recession. Even if we accept the brave pronouncement of Mr. Philip Cross of Statistics Canada earlier this year that the Canadian recession is over there is not much to cheer about; not for the 1.5 million individuals who according to Statistics Canada's labour force survey last month were unemployed; not for the 76,139 businesses and individuals who last year slid into bankruptcy, a figure which is 50 per cent higher than in the worst year of the 1981–82 recession.

It has been said that Canadians emerged from the 1981–82 recession lean and mean. If Canadians emerged from that recession lean and mean, then they are coming out of the present one plain scared. The recession has not been like the others. The world has changed and we are in a new game.

Canadians feel the ground shifting under their feet. Our resource industries, the fishery, agriculture, forestry, and mining no longer generate the kind of secure export jobs they did in the past. The manufacturing sector has been battered. According to the investment firm Wood Gundy, some 363,000 manufacturing jobs were lost between April 1989 and February 1992. In industries from steel to forest products to the fishery to the auto industry, across the whole range of the economy, Canadians have seen their jobs disappear.

• (1335)

These job losses have not been temporary. They have been permanent. Jobs that seemed secure are now in jeopardy. What people used to need to know to make it no longer applies. Canadians who have not already lost their jobs are fearful that they will be next. Businesses that have survived for decades have bitten the dust of bankruptcy or are in trouble.

The federal government and the provincial governments are paralyzed by debt, a disturbing amount of which is owed to foreign bankers. The tough medicine of the budgets of Newfoundland and Saskatchewan last week played more to the bond analysts at Moodys and at Standard and Poor in New York than they did to their own electorate. The budgets of the other provinces will likely follow suit.

Canadians are hoarding, waiting for the next blow to strike. Businesses are not investing. Consumers are not spending. The Canadian economy is not growing. This government, transfixed by its three–year ill timed obsession to wring the last bit of inflation out of the Canadian economy has shown itself incapable of acting in an imaginative and creative way to get the Canadian economy moving again and reposition our economy to take advantage of the new opportunities. There are new opportunities that our changed world presents.

During the last election campaign the Prime Minister boasted to Canadians that the Conservative government was best able to "manage change". We will undoubtedly hear that phrase repeated again and again in the next few months in the mating dance that has been contrived by his party *apparatchiks*, and that word, as the leading contender knows, is Russian for "hacks", to coronate the Prime Minister's successor.

This party, which has led Canadians into the morass in which our economy now finds itself, will try to portray the pretenders to the Prime Minister's throne as the leaders best able once again to manage change.

Canadians have already had enough of these managers managing change. What Canadians want is an election to change the managers.

This government has had nearly five years since the last election to show Canadians how well it can manage change. It has had plenty of change to manage, much of it change which it provoked itself.

Hundreds of thousands of Canadians who are now on the unemployment rolls or the welfare lines have experienced the change that this government has produced.

It is worth going back more than eight long years to the economic statement of the former Minister of Finance on November 8, 1984. That document, entitled *Agenda for Economic Renewal*, was a brave statement of the new government's priorities.

I remember that statement because at the time I was a policy analyst fresh out of university working in the Department of Employment and Immigration. I was keen to apply my new knowledge to the exciting task of renewing the Canadian economy. The themes that ran through that document and to which the government, at least the finance minister, seemed committed were the need to get government finances, meaning the deficit, under control, removing the obstacles to economic growth, and achieving these aims equitably and with a concern for the most needy of Canadians. These were objectives I could get behind, and for four years I worked hard in my own small way to try to help the government achieve them.

It slowly began to dawn on me, as it has been dawning on the vast majority of Canadians, that this government is either uncommitted or incapable of dealing with the fiscal problems facing our country and of preparing Canadians for the economic challenges of the future.

The government began with very favourable circumstances. The federal deficit, though high in the aftermath of the 1982 recession, was declining. When the Tories took office the Canadian economy was surging forward. The new government had a sweeping mandate from the Canadian people for the kind of changes it was proposing in its economic statement. Instead the mandate was squandered. Rather than use the opportunity of strong economic growth to make sizeable reductions in the deficit, the average deficit from 1984–85 to 1989–90 was some $24 billion per year. The federal debt during that period nearly doubled.

• (1340)

Indeed, in the run up to the election in 1988, the government so over-inflated the economy that the Minister of Finance launched a crisis call within months of that election on the state of the federal finances. Instead of acting decisively to remove obstacles to economic growth during that period, the government shuffled.

At the UI policy analysis directorate where I worked, we waited for the government to follow up in a serious way on its undertaking to correct some of the disincentive problems in the unemployment insurance program. When in 1989, after I left, the government finally screwed up its courage to make changes to the UI program, the changes it made merely weakened the underpinning of that program. It withdrew government financial participation without altering the underlying problems with the UI program itself. The changes in Bill C-113 are more of the same.

This government has known and the Canadian policy-making community has known since well before the last election that the single most important policy challenge facing our country is devising policies and programs and providing the necessary leadership to enable the Canadian economy and the Canadian work force to adjust to what is now being described by some as the new economy.

That is the emphasis on high value-added, knowledge-based, service-oriented industries. It has been widely known that the key ingredient in preparing Canadians for this new reality is a greater commitment on education, specifically in the development as quickly as possible of a highly trained, computer literate work force. The diffusion of that knowledge through the private sector will have a higher emphasis on research and development and on spreading that research and development throughout Canadian industry, be it fish processing or fibre optics.

It has been widely known since well before the recession that the underlying framework of policies in Canada in many ways supported a resistance to change. This resistance to change has been documented by study after study, beginning with the Economic Council of

Canada, which before the last election issued a statement on precisely this subject, called "Managing Adjustment". This government has ignored that statement.

I am hurrying because I realize I have to share my time, so let me just rapidly conclude.

My point in conclusion is that this government has not managed change. This government has resisted, has shuffled and has studied the problem to death over the last four years. It has squandered four valuable years of opportunity to re-position Canada to be ready for the new economy which we now face. That is the tragedy which this government has perpetuated and that is its legacy for Canadians.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, it is interesting to listen to those debates on the economy because what we hear mostly is rhetoric and really no solutions.

If we look at Canada's present economic state, the national debt, provincial, federal and Crown corporations, it is now about $660 billion. That amounts to 95 per cent of the gross domestic product. To put it in perspective, it is the same level of debt that Brazil and Venezuela have. When New Zealand reached 75 per cent of the gross domestic product as its debt, it was declared bankrupt. Recently, we have seen what is happening to Newfoundland in its budget, to Saskatchewan and to Ontario as well.

• (1345)

As we all know, only Ontario Hydro has a debt of $34 billion. It is a bankrupt company.

What do we hear? What do we hear from the government side? We are told for instance, that our exports are up, that we have a surplus in exports, in goods, of $9 billion for this year. What the government forgets to tell us is that in the current account which includes goods, services and financial transactions, there is a deficit of $30 billion for this year.

This means that Canadians have to borrow $30 billion outside of Canada. It cannot be borrowed from Canadians. It has to be borrowed from outside so our foreign debt now reaches the amount of $300 billion. We owe that to foreigners.

What are the solutions? This is what I am trying to find out. The opposition parties and the government side, what do they propose to deal with this crisis? They talk about having more—

The Acting Speaker (Mr. DeBlois): In fairness, I have to give the floor to the previous speaker, the hon. member for Cape Breton Highlands—Canso.

Mr. LeBlanc (Cape Breton Highlands—Canso): I share the hon. member's deep concern with the state of the government deficits, provincial and federal. It is a very serious problem. It is a problem that is not going to go away. It is a problem that we are going to have to deal with and to manage as prudently as we can when we form the government.

I want to make one quick point. The best way to deal with the deficit is to create a growing economy, a growing productive, competitive economy. That is my point about adjustment. That is where the government has failed. It has failed. It has wasted four years. The economy has changed and this government has not enabled Canadians to change with that economy. That is what we need to do to have a strong economy to meet the debt obligations which have been incurred by this government. That is my point.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, I welcome the opportunity to speak in this debate on the economy and economic policies.

In the ten minutes I am allowed, I think I should go straight to the core of this debate. As was pointed out by the hon. member for Cape Breton Highlands—Canso, it isn't easy to deal with the serious problems of debt and deficit.

At this point, however, we must realize the problem is not exclusive to federal and provincial governments, Crown corporations and Ontario Hydro, which has a very large debt, as the hon. member for Calgary pointed out. It is a problem that concerns us all in this country. We must find ways to deal with debt-related problems and with a deficit that is increasing annually at all levels of government.

[*English*]

We have, I believe, reached the point in Canada where we can say without fear of overstatement that our finances are approaching crisis proportions. The level of our debt and deficit is reaching those of countries where the International Monetary Fund has taken action.

• (1350)

Recently in Canada there have been a number of news reports both in print and on television comparing Canada's situation today with that of New Zealand in 1984. That is when a new government, a socialist government as it happened, was elected and within days of election discovered that it could no longer finance its government operations through international borrowing. It had reached the limit.

I believe very sincerely it has reached the point in Canada that it does us no service, as members of Parliament or members of legislatures to try to affix blame for the situation we are in. It is not simply a problem brought on by one level of government. It is not only a problem of lack of will on the part of legislators, but it has been a lack of commitment on the part of all Canadians to deal with the fact that our consumption of our wealth in Canada exceeds our ability to create it and has for many years.

If we fail to deal with this issue at the national level and at the provincial level in a co-operative way, then others from outside our borders will deal with it for us.

In the final analysis, right now as Canadians we are not saving enough to finance our own consumption and our own investment. Therefore we are having to borrow from foreigners. Sooner or later they will either demand exorbitant interest rates because of the risk they perceive they are taking, or they will simply refuse to lend to us. That time is coming. It does not matter which party forms the government. One of the key items on the agenda is going to be to deal with that issue.

The second key economic problem which we are facing, and I think all of us would agree with this, is that of unemployment. Today as we have the first signs of a recovery beginning, we continue to have 1.5 million Canadians out of work. Large numbers of them are people who in previous recessions were able to keep their jobs. They are people with skills and training. In many cases they have been displaced by the economic circumstances in which they find themselves. They are unable to find new work, certainly not at the level of income to which they have become accustomed.

In community after community, industry after industry, we are finding that the work force is not going through a period of temporary lay-off. In fact it is going through a period of permanent downsizing.

In the face of these two problems, the debt on the one hand and unemployment on the other, we find policy makers in a kind of gridlock saying that to address the debt problem we really are going to create more unemployment, that to create jobs we are going to have to increase the debt.

This is the situation in which we find ourselves. What we need first and foremost is an approach to dealing with these problems in a Canadian context based on honesty. I do not think we can afford the luxury any more of misleading the public and it does not really matter which party that comes from. We have to deal with the Canadian public in honest and direct terms about the nature of the problems that confront us.

Also, it is vital that we have a vision of where we want to take our country. With respect, I would like to suggest a few things that I think can be part of that.

First of all, we have to renew our commitment as Canadians to being the best. This is not simply rhetorical. We have to build in our people a confidence that we as Canadians can be as good or better than the rest of the world. We can be more productive. We can be more capable. We can be better educated.

Second, our commitment to education and to training must be unequivocal. It is simply not satisfactory that Canada labours along with a 30 per cent high school drop-out rate and with something approaching one-fifth to one-quarter of our population incapable of maintaining adequate skills of literacy and numeracy.

This is not going to be adequate in the world we are entering in the 21st century in which we are competing with others and not just among ourselves, not just with the Americans or the Mexicans, as we often talk about around here. We are also competing with the emerging east European economies of Poland, Hungary and the Czech and Slovak republics where there is a good skill base, a good education base, low wage expectations and gradually re-emerging technological and manufacturing economy. We are also competing with the new emerging economies of Asia, Singapore, Taiwan, Korea and even China.

• (1355)

Third, we have to invest in infrastructure. Our transportation and communications networks have got to meet the test and the challenges of the 21st century. It is simply not adequate for us to put off spending in those areas.

Fourth, we have to make the tough decisions to focus our resources strategically. We simply do not have excess resources available to squander on projects that are wasteful and which do not accomplish the goals we set for ourselves as a nation. That will not be easy but it is something we have to be prepared to do in an open, fair and sometimes difficult way.

I think none of this can happen if Canadians are not confident they can buy into a program of renewal, that they cannot accept that sacrifices may have to be made. Yet if they do not believe they will succeed in overcoming the obstacles that confront them, they will not support it.

We need commitments in addition to an economic program that stresses growth and creation of jobs. We need two other commitments.

We need a commitment to maintain and preserve on a sustainable basis the environment which is after all at the root of the creation of the wealth that this great country enjoys. We also we need to restate and to emphasize the commitment that we have to the social contract in this country. Canadians need to believe that when times get bad that we will care for one another. We will ensure that we are committed as a nation, not just to the creation of wealth but to the sustainability of our health and education systems, to the alleviation of poverty and to the building of a clean and healthy environment. These commitments have to exist at the same time and with the same intensity as a commitment to the creation of wealth, to the stimulation of jobs, to the reduction of the debt.

If we as leaders in this country can work together toward those objectives, I believe there may be no limit to the commitment that Canadians will show to achieving those objectives.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to compliment my colleague not only for the fact that he has recognized so insightfully some of the difficulties we are having in this nation today but the fact that he is putting on the table some constructive and very specific ideas. That is what people are looking for today.

It is not just that we would stand up and point out the fact that this government has really lost its sense of compassion and caring. There is the mere fact that the government continues to sit around for almost three months now from its economic statement and does nothing in relation to small business. Yet, government members stand up and say that this particular bill is not through the House of Commons and that is why they are not going to promote the Small Businesses Loans Act.

My question through you, Mr. Speaker, to my colleague is related to small business. We on this side of the House have been saying for years now that the greatest hope for new job creation in this country lies with small business. The entrepreneurial spirit is in the men and women of the 1.1 million operating businesses in this country. That is where we believe the great hope lies for job creation.

I wonder if my colleague, who is also one of our former finance critics, could talk for a minute or so to this House and the people of Canada about some of his ideas on how we could help small business.

Mr. Speaker: It being two o'clock p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

HON. JEAN J. CHAREST

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, "Jean Charest, a man of reason and a reasonable politician" is the title of an editorial by André Pratte, published last Saturday in *La Presse*, which included the following: "Jean Charest is a politician of reason. . . Delegates will be won by his intelligence, his grasp of the issues, his moderation and his persuasive arguments".

"In his four years as Minister of State For Youth, he had a chance to examine one of today's pressing problems, the school drop-out rate, and he talks about it today in very concrete terms. Young people do not necessarily drop out of school because of the school system. They drop out for all kinds of reasons. They may be attracted by the large number of jobs available in Southern Ontario as a result of an overheated economy, or, as is the case in Eastern Canada, they don't see the point of staying in school because there are no jobs or because their parents don't encourage them to go to school".

"At a time when everyone wants to be consulted, when many people realize that the national debt is problem number one in this country and when spending cuts raise howls of protest from interest groups, Mr. Charest's proposal that the next federal government be given a clear mandate to fight the deficit may be very attractive to voters."

* * *

[*English*]

UNIVERSITY SPORTS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, while we may differ in our political views those of us in this House who are graduates of St. Francis Xavier University share a great pride in our Alma Mater.

We were all thrilled by the exciting performance of the St. F. X. University varsity basketball team yesterday, under the leadership of coach Steve Konchalski, in winning the CIAU championship in basketball with an exciting 72–64 victory over McMaster University in Halifax.

For Nova Scotians yesterday was a double triumph with Acadia University winning the CIAU championship in hockey in Toronto.

The St. F. X. X-men thrilled their fans, as they have all year, with superlative basketball, with Richard Bella, Brian Lee and Blair White in particular turning in outstanding performances yesterday.

Winning the CIAU championship, the first ever for St. F. X., was a particularly fitting tribute to Father George Kehoe, St. F. X.'s much loved former athletic director who died tragically last year and to whom Coach Konchalski dedicated the team's win.

I know all members of this House, including my colleagues from Hamilton, will join me in congratulating the St. F. X. basketball team on its thrilling performance yesterday.

Some hon. members: Hear, hear.

* * *

WORLD HEALTH DAY

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, on April 7 we celebrate World Health Day to honour the adoption of the World Health Organization's constitution of 1948.

This year's slogan is "Handle Life with Care—prevent violence and negligence". Three and one-half million people die every year as a result of injury caused by violence, accidental or intentional. Injuries cost Canadians over $11 billion each year, and although this rate is falling injuries are the leading cause of death and the second leading cause of hospitalization of our youth.

Health and Welfare Canada is starting a program to target injury prevention and its evaluation. Safety is everyone's responsibility and must be included in all our policies.

* * *

CANADA STUDENT LOANS PROGRAM

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I received numerous copies of a letter addressed to the Prime Minister from the students of the University of Saskatchewan concerning the proposed changes to the Canada Student Loans Program.

I would like to read part of the letter:

> Today, a post-secondary education costs a great deal of money. Not all students have the ability to pay these costs. The Canada Student Loans Program, therefore, has allowed hundreds of thousands of Canadians to further their education regardless of their income status.
>
> Your government has publicly recognized the importance of creating an educated work force. Yet the legislation put forward in Bill C-76 will discourage, rather than encourage students from continuing.

The letter goes on to ask whether the government is so obsessed with deficit reduction that creating an educated and skilled, and therefore competitive, work force is no longer one of its priorities.

I suggest that the government's top priority should be to get Canadians back to work, and that means providing post-secondary education that is accessible to more than just the wealthy.

* * *

• (1405)

MORDEN, MANITOBA

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, on the assumption that good news rarely gets the publicity it deserves I would like to inform the House of an important announcement in Manitoba which occurred on February 9. On that date Monsanto Canada Inc. announced the construction of a $5.1 million, 12,000 square foot manufacturing plant in Morden. At this new plant there will be the production of a new herbicide in a very environmentally safe facility. This plant will mean the employment of some 17 people now, with the possibility of an increase in employment if production increases as is anticipated.

Morden was selected from among some 50 Canadian locations. One of the advantages for Morden was the fact that its proximity to the United States was very important as it is anticipated that there will be sales of some $50 million to the United States in the first year of its operation, which demonstrates the growing importance of the United States as an export market for Canada.

* * *

NORTH KOREA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, the world should be greatly concerned by North Korea's current reckless behaviour. It began last week with diplomats claiming that North Korea was "ready for war" with South Korea because of joint military exercises with U.S. allies. Then North Korea became the first country to withdraw from the Nuclear Non-proliferation Treaty, a giant step backward in the movement to limit the world's doomsday arsenal.

Today we hear from *U.S. News and World Report* that North Korea and Iran allegedly struck a $630 million deal to develop nuclear ballistic missiles capable of hitting targets in Japan.

Are we doomed to repeat the mistakes of the past? Is North Korea destined to become the next Iraq, a nuclear renegade on a path to its own destruction?

It seems to me that this new world order is beginning to resemble the old. Hundreds of Canadian soldiers gave up their lives in the last Korean war. Their sacrifice must not be in vain.

* * *

UNIVERSITY SPORTS

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, today there is no Mudville in Wolfville but joy in the town as Nova Scotia and Atlantic Canada happily extend hearty congratulations to Coach Coolen and his Acadia crew for bringing home the bacon with a resounding 12-1 victory over the University of Toronto in yesterday's national finals of the CIAU hockey championship.

Acadia's motto *Nin Pulvere Vinces* was played out in spades for Acadia's first ever national hockey victory, which literally means: From the dust of many defeats comes victory through the collective hard work and effort of all.

In this case it was truly a national victory for the Axemen. Eight provinces were represented on the team and I am sure that in the justified honour to Coach Coolen as Coach of the Year he would be the first to admit that active community support helped along the way.

The national championship for Acadia's 3,500 student body is a delicious delight for the town of Wolfville, which is celebrating its centennial this year, a beautiful blend of town and gown.

Students and Alma Mater of Acadia from coast to coast can stand up and cheer for their boys in garnet and blue who have brought new honour to the hallowed history of Acadia.

Some hon. members: Hear, hear.

* * *

RED CROSS MONTH

Mr. Doug Fee (Red Deer): Mr. Speaker, it is my pleasure to remind members of this House that March is Red Cross Month. Every year two and a half million Canadians volunteer time or donate blood to the Red Cross.

The Red Cross Society is also active in many other areas. It provides support to people in their homes, in the form of such services as homemakers, sick room

equipment loans and support for veterans and seniors. Last year 13,000 Canadians who suffered minor emergencies and major disasters were helped by the Red Cross.

Whenever we hear media reports about a natural disaster or a war we will also hear that the Red Cross is there providing assistance. Last year the Red Cross channelled some $34 million worth of aid to people in 80 countries around the world.

I would ask all members of the House to join me in wishing the Red Cross Society and its volunteers a very successful Red Cross Month.

* * *

[*Translation*]

FRENCH LANGUAGE COLLEGES IN ONTARIO

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, many Ontario residents and especially students who wish to continue their education have a vested interest in seeing new community colleges established in Ontario.

According to the province, the federal government is not co-operating.

I will read verbatim a press release issued by Ontario Minister of Education David Cooke, in which he said, and I quote:

> There are rumours that the federal government is reneging on its agreement with the province on financing for a French language college in the north and another one in the southwest. It has been almost a year since the province said it was ready to sign the agreement with the federal government. How much longer will francophones in northern and southern Ontario have to wait for the federal government to make up its mind?

• (1410)

There is one community college in Ottawa. There are 2,900 students, and they have the right to be educated in French in Ontario. They have that right under the Constitution.

I want to ask the government to stop dragging its feet and conclude an agreement with the Province of Ontario on the acquisition of the land and building concerned.

[*English*]

FISHERIES

Mr. Peter L. McCreath (South Shore): Mr. Speaker, I understand that a special committee of cabinet is now working on an adjustment package to assist individuals and communities impacted by the severe reductions in groundfish quotas in the Scotia Fundy and Gulf regions.

I wish to impress upon the government the urgency of this situation. There are significant numbers of people in coastal communities such as Lockeport, Lunenburg and Louisburg who have either exhausted their UI claims or who have been unable to get sufficient work to qualify in the first place. These numbers will drastically increase during the next two to three weeks.

I urge the government, and in particular the ministers of fisheries and employment, to make an announcement this week that will clearly indicate to people in the affected communities that the Government of Canada is there to assist them during this time of particular difficulty.

Today the government must give clear indication that help is on its way and it will be adequate.

* * *

[*Translation*]

POVERTY

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, last night Radio-Canada broadcast a very moving television program on poverty in Montreal. My congratulations to narrator Ms. Dussault and producer Ms. Payette, who managed to show us the poverty in which, unfortunately, too many Canadians live, while respecting the dignity of these poor mothers and their children.

Under nine years of Conservative rule the gap between rich and poor has widened increasingly. We need an election to replace a government dedicated to the interests of the rich with a Liberal team that has heart and compassion and shows a firm resolve to help the neediest in our society.

[*English*]

SASKATCHEWAN BUDGET

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I applaud the direction of the Government of Saskatchewan in its recent budget which attacks the deficit through expenditure cuts and tax increases in order to "guarantee that all we enjoy today is passed on to our children and our grandchildren".

This is surely sensible advice for all levels of government and just happens to be exactly what the federal government has been doing for the past eight years in order to deal with the Trudeau legacy of debt. Ironically, every single federal taxation measure and program reduction has been opposed by the NDP and Liberal opposition.

I want to congratulate the Saskatchewan provincial NDP for having finally seen the light. Hopefully, the federal NDP members from Saskatchewan will learn from their provincial brethren the importance of and the need for deficit reduction programs, provincial and federal.

* * *

FRIENDSHIP CENTRES

Mr. Rod Murphy (Churchill): Mr. Speaker, the reason the Government of Saskatchewan has to reduce the deficit is because of the position in which the Devine government left that province.

Across Manitoba, Friendship Centres are being hammered by cold-hearted politicians who simply do not understand their value to society.

Three months ago the federal government announced 10 per cent cuts to selected native programs such as Friendship Centres. Last week, Gary Filmon's Conservative government in Manitoba staggered aboriginal groups by announcing 100 per cent cuts to Indian and Métis Friendship Centres province-wide.

Friendship Centres are worth their weight in gold. In many cases they are the only social safety net available to Canada's urban aboriginal population. Friendship Centres provide counselling and referral services, hostel accommodation, youth, recreation and education programming, interpreters, fine option services, food banks, emergency support, and interpreters for medical care.

If this government understood the need for Friendship Centres it would not be cutting funding it would be increasing it. Our Friendship Centres should not be forced to close.

* * *

PEACEKEEPERS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I ask all members of the House of Commons to take notice of the return from Croatia of the 1st Combat Engineer Regiment.

The 120 personnel from 1st Combat Engineer Regiment stationed at Canadian Forces Base Chilliwack spent six months with the United Nations protection force in the former Yugoslavian republic of Croatia.

In the very difficult environment of post-breakup Yugoslavia the troops distinguished themselves and carried out their duties of maintaining roadways and constructing facilities for use by UN forces. My congratulations to their commanding officer, Major Carmen Bradley.

• (1415)

I was honoured to meet the families of these troops during a welcome home ceremony this past Saturday evening at the base. I doubt whether people who have not been involved with the Canadian forces or had loved ones in the force realize the stress that the children and spouses go through during extended absences like this. These people on the home front have also done an excellent job of supporting the troops.

My congratulations and appreciation goes out to the forces coming home and to their families. We are proud of you.

Some hon. members: Bravo.

* * *

FOREIGN AID

Mrs. Christine Stewart (Northumberland): Mr. Speaker, the Government of Canada has not only made extreme budget cuts to official development assistance, but has changed its development assistance policy with-

out any public discussion which denies bilateral assistance to the poorest countries and their poorest peoples.

Today, the Liberal caucus is holding a round table discussion on the implications of these cutbacks on the peoples of the African countries, the region most impacted by eight cutbacks and policy changes. We were not pleased when this government unilaterally decided to make our assistance conditional to debt-burdened countries accepting punitive structural adjustment programs. We cannot accept that major objectives of the government, as quoted from its leaked document, are: "to support and promote market-based reforms and trade and investment links between Canada and aid recipients".

I have in hand petitions I received at a Queen's University rally last week. Hundreds of students and thousands of Canadians across this land demand public consultation before policy changes are initiated and that this country continue to priorize the poorest of the poor in our aid program.

* * *

SCIENCE

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, even as the federal government cut funding from crucial Canadian science programs it was happily doling out more money to send into orbit, $10 million more into orbit this year than last. What does it do with most of this money? Over $1.5 billion will go to help build the U.S. space station.

With a new President in the White House there might not even be a space station. The Americans are realizing that you get far better economic spin-offs from science on the ground than from megaprojects high up in outer space. We have already wasted $300 million that could have better laid the groundwork for the kind of value-added, knowledge-based economy that creates the stable, high-paying jobs that people desperately need.

For the thousands of Canadian unemployed the final frontier is not space. It is that last unemployment insurance cheque before the oblivion of absolute poverty. That is a frontier we should be making sure no one explores.

ORAL QUESTION PERIOD

[*English*]

EMPLOYMENT

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

As we speak, there are 400,000 young Canadians who cannot find work. On the other hand, we have 300,000 jobs that cannot be filled because we do not have people who possess the required skills.

As the Prime Minister orchestrates his departure, is he proud of a legacy that leaves one in five young Canadians without a job?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I think it goes without saying that members on all sides of this House find the unemployment of our youth today unacceptably high. That is why the government has been concentrating on training and retraining programs to try and encourage those who have dropped out of school early—some 30 per cent drop out of school and that is an unacceptably high rate as well—to get back into the work force to get some training they need that will bring them into today's reality in the economic picture that we find ourselves in.

There is some $3.5 billion being spent on training and retraining and that, I believe, is a very positive sign that this government is doing something to encourage the young people to get back to work.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the truth is that as we near the end of the Mulroney era 400,000 young people are out of work. One young person out of five is looking for work. However 300,000 jobs cannot be filled because no one has the right training.

I want to ask the Prime Minister just this: What happened to his promise that training programs would be provided following the signing of the Free Trade Agreement? Why did he betray Canadians?

Right Hon. Brian Mulroney (Prime Minister): As usual, the hon. member's statement is wrong. Today $3.8 billion is being spent on manpower retraining programs, especially for young people in Canada. This is unprecedented. An interesting point is that we managed to do

this despite fierce opposition from the hon. member's party.

• (1420)

Every time we introduced a bill in the House to create jobs for young people or increase amounts allocated to the retraining program the hon. member for Hamilton East voted against it.

Ms. Sheila Copps (Hamilton East): Yes, Mr. Speaker, I voted against his unemployment insurance bill and I am proud of that.

[*English*]

In the last four years of Prime Minister Mulroney's mandate 325,000 manufacturing jobs have been lost. Anyone who represents an industrial riding will see the devastation day by day, week by week that is causing.

I want to ask the Prime Minister this. In the dying days of his government, will he make good on his personal promise to have specific retraining programs for those workers who lost their jobs as a result of his free trade agreement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with regard specifically to the free trade agreement, perhaps my hon. friend would like eventually to discuss some facts. On an annual basis Canada exported $19.6 billion more to the United States in 1992 than in 1988. In January 1993 our exports to the United States were 23 per cent ahead of the level in January 1992.

My hon. friend refers to the Mulroney accomplishments. My hon. friend refers to the Mulroney record. I am thereby forced, despite my modesty, to mention some facts to my hon. friend. As of the end of December 1992 employment in Canada was up by 1.3 million jobs from the September 1984 level; from 1984 to 1991 employment grew at an average annual rate of 1.7 per cent, the fastest of G–7 countries; inflation was at its lowest level in 30 years; and interest rates were at their lowest level in 21 years.

This compares with a record by the Liberals of unemployment of 11.8 per cent, interest rates at 22.75 per cent and inflation at 12.9 per cent, the worst record since statistics were compiled in the history of Canada. That was the Liberal record and this is the Mulroney record and we are proud of it.

* * *

NORTH AMERICAN FREE TRADE AGREEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister for International Trade.

Speaking Friday at McGill, Bob Dunn, an economist at George Washington University, said that the Governments of Canada and the United States are using misleading data on the job losses that will result from the NAFTA deal. Professor Dunn said that both the Canadian and American governments are choosing not to speak about the true jobless figures from NAFTA.

I ask the minister: Why is he hiding the true job loss figures? When will he let Canadians know the whole story on NAFTA job losses?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think my hon. friend wrote that question before he heard the answer from the Prime Minister two questions ago.

I will give the answer again. Thank you very much for the subsequent question. The answer is that in the month of January we had a remarkable increase in exports and that follows on a period in 1992 where exports from Canada to the United States under the free trade agreement were up by 16 per cent. This is a huge increase which demonstrates that Canadian companies are finding business opportunities in the United States and turning those opportunities into jobs back here in Canada.

It is a curious thing. That article that my friend is reading was from the same day that these statistics came out, but there was not one mention of those statistics in that article. It is a curious thing that the media would not bring the two into the same article to get some balance in the reporting.

• (1425)

Hon. Herb Gray (Windsor West): Mr. Speaker, my supplementary question is to the minister who neglects to say that 80 per cent of our exports to the United States were duty free before the trade deal. He does not seem to make a connection with the ongoing nature of those

exports. He also overlooks the 1.5 million people who are still out of work in this country.

If the minister is so sure the professor does not know what he is talking about, why does he not put his money where his mouth is? Will he make public the government's own economic impact statements on the proposed NAFTA deal? Will he tell us how many more Canadian workers are going to lose their jobs because of this proposed three-way NAFTA deal? Do not talk about the past. Tell us about your impact studies and what they say about the NAFTA.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, it is quite amazing that this member should talk about putting his money where his mouth is.

I sat five feet away from him in 1980 when he was asked whether he would resign if interest rates went up again. He said: "Yes, I will resign". What happened when interest rates went up to 22 per cent? He sat right there twiddling his thumbs, never a thought of resignation, never a thought of the principle that he is talking about now. I will put my money where my mouth is anytime this hon. member wants to do the same thing.

An hon. member: Any more questions, Herb?

Mr. Wilson (Etobicoke Centre): I want to refer to a study not done by the government but through the C. D. Howe Institute. It says: "Free trade with the United States has helped the development of the higher value-added industries that are crucial to Canada's future economic growth, a result that is consistent with the predictions of supporters of the agreement". That is an impact study done by an independent observer that says that the free trade agreement has been good for Canada and good for Canadians.

* * *

PUBLIC WORKS

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Public Works. It concerns the P.E.I. fixed-link.

On February 24, in response to a question from my colleague, the hon. member for Saanich—Gulf Islands, the Minister of the Environment said "there has been an environmental assessment done on the project".

On Friday the Federal Court ruled that this government has violated its own environmental guidelines and that a generic study of a generic bridge design is unacceptable. Judge Reed even called the process so far downright silly.

Given this court's decision and the extent of public interest in this review, will the minister take this process out of the back rooms and proceed immediately with a full proper environmental assessment of the specific bridge proposal complete with public hearings?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, we appreciated Madam Justice Reed's prompt decision on this matter. It is a comprehensive decision. This government has always, as he will recall, undertaken to abide by the process right from the beginning.

He will not be surprised, however, to know that I have not had an opportunity to discuss this matter with cabinet colleagues or with other levels of government, although I did have a quick call from Premier McKenna who offered his support. I have not had a chance yet to speak to the Prince Edward Island government for obvious reasons. I will have to wait in order to discuss it with the new premier, perhaps.

In any event, the member and the House can be sure that we will be looking at this extensively. I will be able to report to him and to the House within a few days.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I appreciate that it is going to be a difficult one for the minister. While the minister decides the fate of the project, he must not allow a repeat of the Rafferty-Alameda and Oldman River dam situations where work went ahead on the projects while the environmental reviews were going on.

Will the minister ensure that a similar fiasco is not repeated and ensure that the project is not continued even one day more while the environmental assessments are incomplete?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, as I have indicated to my colleague, we will look at the implications of this very carefully. We have

always respected the process. Certainly we will not do anything that would be inimical to the judicial process.

I will have a fuller answer for him in a few days.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, a final supplementary question. We are not going to give up.

The court ruling also stated that the plan to end ferry service between the island and the mainland is unconstitutional. Yet Bill C-110, the enabling legislation which does just that, is currently being rushed through the legislative process. This is not only inappropriate but unconstitutional. Will the minister withdraw Bill C-110 immediately?

• (1430)

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, this again is part of the process we will have to look at. My colleague knows that in the agreement signed between the federal government, by myself, and the Government of Prince Edward Island certain assurances were given by that government that whatever steps deemed to be necessary would be taken in order to cure any constitutional problems.

Bill C-110 is something that has been considered in committee. It may well be that it is not project specific legislation but legislation that might be useful in the future for any project.

However, he can be sure we are not going to do anything rash or precipitous.

* * *

RUSSIA

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Prime Minister.

Yesterday the Prime Minister, along with other heads of government, reaffirmed his commitment to the process of democracy and market reform taking place in Russia. Given the very serious and deteriorating situation in that country, I would like to ask the Prime Minister if he could tell us if any new specific plan of action or of assistance is being developed by Canada along with the other western countries prior to the meetings of President Yeltsin and President Clinton in Vancouver, so that the west and Canada can show their good faith to the Russian people, that we very much care about their anxious desire for reform.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for a very important question.

Late last week I was in touch with Chancellor Kohl in a lengthy telephone conversation in regard to what we might do together with President Clinton and other leaders around the world. I share my hon. friend's concern about the absolute necessity to maintain the democratic institutions that are growing in Russia and the market reforms, without which there can be no successful future for these institutions of democracy itself in Russia.

We have strongly supported President Yeltsin's initiatives. We have conveyed our support for him, his initiatives, and the process at this important juncture in Russian history.

It is my expectation, although one does not know, that the Vancouver summit will proceed as scheduled. Canada will be ready to proceed with new and we think constructive and creative approaches which will help the Russian people and the Russian President in his endeavours and his important initiatives to build a democratic, market-driven society in Russia.

I thank my hon. friend for the support I know he will give to the Government of Canada as we work with our colleagues in the G-7 and elsewhere to help bring this about.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, last spring when President Yeltsin visited this city the Prime Minister and the government made a number of commitments to provide encouragement and support for grain shipments, nuclear safety projects, humanitarian assistance and a special scholarship fund.

As things stand now, grain shipments to Russia have been suspended for the last six or seven months. The announced $30 million nuclear safety program and the $10 million Yeltsin democracy fellowship have not yet been implemented. Our humanitarian assistance is on the decline.

I ask a very serious question of the Prime Minister. How can we expect to believe the Prime Minister when the commitments made almost a year ago have not yet

been fulfilled. If the Prime Minister is serious about his support, as he just stated, will he authorize the restoration of grain shipments to Russia and release the funds already committed to implement the initiatives announced last June.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Canada among the leaders of the countries of the G–7 has the second highest per capita assistance to countries of the former Soviet Union, including Russia, second only to Germany.

Germany's large numbers come from the fact that there was a special capitalization program in the federal republic to pay for the removal of 350,000 Russian soldiers who were on their territory. On a per capita basis, Canada's assistance to the former Soviet Union, including Russia, exceeds that of all other G–7 countries, with the exception of Germany as I have indicated. So my friend's question is somewhat surprising.

• (1435)

In fact many of the G–7 leaders are suggesting to their legislatures and their Parliaments that they raise their contributions and the nature of their programs to match those of Canada, which on a per capita basis, put together as a package, would represent a very significant infusion of technical assistance, agricultural assistance and market reform possibilities.

My friend refers to President Yeltsin's visit in June. We have lived up to every one of the commitments that we have made. My friend mentions the Yeltsin Democracy Fellowships as not having been honoured. I met in my office two weeks ago with participants in the Yeltsin Democracy Fellowships and they were very grateful. They came from Russia.

Mr. Axworthy (Winnipeg South Centre): What about the grain shipments?

Mr. Mulroney: No, my hon. friend mentioned the Yeltsin democracy fellowships. Unless I made a mistake and these were not young Russians standing in my office. They were there under the aegis of the Yeltsin Democracy Fellowships and very grateful to Parliament and the Government of Canada. In fact one of them specifically asked that I convey his affection and best wishes to the member from Winnipeg.

SEXUAL HARASSMENT

Ms. Mary Clancy (Halifax): Mr. Speaker, on Friday I raised a question regarding two cases of sexual harassment in the Public Service in Halifax and was told to refer them to the President of the Treasury Board. I am doing so to the Acting President of the Treasury Board.

The final report on this case has been out for over a month. It found sexual harassment and so I ask: What will this minister do to ensure that these men are justly punished?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the President of the Treasury Board is well aware of the case. He has indicated to the House that sexual harassment is absolutely unacceptable in any aspect of the Public Service and actions are now being looked at. It is an active file on the minister's desk and the appropriate action will be taken.

Ms. Mary Clancy (Halifax): Mr. Speaker, I would be more reassured if I had not been told today by the investigations conciliation officer of the Public Service that the conciliation process which is, as the minister says, under way will not, and I reiterate will not, deal with sanctions.

Again I ask the minister what sanctions will be applied so that the message of zero tolerance, which I do not necessarily dispute, is at least credible to the people who perpetrate these actions?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the President of the Treasury Board has said on several occasions, and he meant it sincerely and it is reflective of the government's policies, that the appropriate action will be taken.

* * *

UNEMPLOYMENT INSURANCE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the Public Service Alliance of Canada, representing front line workers in unemployment insurance offices, today released a booklet outlining what working people should know about changes to the UI act.

The booklet outlines the hassles workers claiming benefits are going to have to deal with. Could the minister or whoever is responding tell the members of this House how he will be providing Canadians with this type of factual information so that those who must apply for UI will clearly know the rules?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, there will be brochures printed and available to all those wish to have them, including the unemployment offices throughout this country.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like it better if I knew they were going to every household.

The regulations concerning child care under the new UI amendments create a situation where if you cannot find child care, if you cannot get leave and you quit your job because you cannot get that child care, you will not get UI. The government is forcing parents to settle for untrained, unskilled and unknown child care.

I would like to ask the government what would the family caucus and child care advocates have to say about this? How can quitting to ensure the protection of your children be called voluntary quitting and have the parent not eligible for UI?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the preamble to that question is erroneous and I think the hon. member knows that. The officials of the Canada Employment Centres will review each case and if there is just cause, the people will receive unemployment insurance benefits. That is the assurance of the minister and the government.

• (1440)

For the hon. member to be spreading these fears around is totally irresponsible.

* * *

[*Translation*]

MONTREAL ECONOMY

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Acting Minister of Finance.

Montreal's economy is in a terrible slump, with an unemployment rate of 14 per cent, 27 per cent of the labour force out of work and 21 per cent of families living below the poverty line.

Why did the government not agree, as requested by the city and the province, to participate in a municipal infrastructure reconstruction program that would stimulate the economy and create jobs?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I know the hon. member and his party are talking about handing money to municipal infrastructure programs.

I would like to remind the hon. member, because he was a member of the government in 1982, that it had a municipal government infrastructure program and cancelled it. It was cancelled because it said it was not the responsibility of the federal government. I remember that very clearly. I am sure he does also because we were in the House together at that time.

There is a modest infrastructure program, due to the fiscal situation that we find ourselves in, that was announced by the Minister of Finance in December. I can tell the hon. member that those discussions are ongoing with the provinces and announcements will be made in due course.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the program we had during the last recession was kept through that recession period.

If the government really wanted to create jobs, stimulate economic growth and reduce the deficit it would initiate such an infrastructure program. Poverty in Montreal and elsewhere in Canada will not be reduced by part-time, minimum wage jobs with no security and no future.

Why is the government not taking steps to promote quality jobs with decent salaries so that young couples can start families and properly take care of them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend surprises me with his solicitude for Montreal. When we had a bill on pharmaceutical legislation before the House that would create thousands of new jobs in Montreal and provoke over $1 billion in new investment, my hon. friend voted against it.

My hon. friend says quite—

Some hon. members: Oh, oh.

Mr. Speaker: The right hon. Prime Minister has the floor.

Mr. Mulroney: Mr. Speaker, I say this in full friendship. My hon. friends, the caucus of the Liberal Party, were warned by their leader last week not to be nervous Nellies, to appear to be confident and relaxed. I know how tough that will be for them, but convey an air of confidence.

Some hon. members: Oh, oh.

Mr. Speaker: Perhaps the right hon. Prime Minister could try again.

Mr. Mulroney: Mr. Speaker, they asked me for months, they stood in the House, including my old friend from NDG and said to me: "Prime Minister, you have to quit". So I did and now they want me back. I do not know, is it too late?

It would be with great difficulty but I would forgive him his vote against the pharmaceutical bill even though it created thousands of jobs in Montreal. But because of what he said in regard to the fact that it alone—

Some hon. members: Oh, oh.

• (1445)

Mr. Mulroney: Mr. Speaker, if the Liberals want to know why they are sinking like a stone, just turn to the member for Hamilton East.

To answer my friend's question, the pharmaceutical bill does not solve all the problems, obviously not at all, but this attitude brings about some important matters, for example just in the month of February.

[*Translation*]

A Maison des régions was created in Montreal, with a federal contribution of $1.4 million.

[*English*]

"Neuro gets $8.1 million to map brain".

[*Translation*]

Thirty million dollars for research at l'Enfant-Jésus and l'Hôtel Dieu hospitals in Quebec City. Governments have agreed to spend $20 million on Mont-Tremblant over the next five years which means jobs for 700 or 800 people, plus 1,000 permanent jobs. Northern Telecom will get millions of dollars from Japan for its plant in Lachine.

[*English*]

Bombardier is about to choose an engine for the new global express executive jet, creating 1,000 new jobs. These are the kinds of things brought about by low inflation, low interest rates and record new investment in Canada, and that is the way we will get Montreal moving again.

* * *

EMPLOYMENT

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is for the Acting Minister of Employment and Immigration.

There are almost 50,000 men and women who are unemployed in Manitoba today. Roughly one-quarter of those unemployed people are young men and women between the ages of 15 and 24. Manitoba has the country's highest and fastest growing rate of poverty. It is the poorest of the poor among youth. Manitobans are tired of this despair. They want action.

What specific measures is the government prepared to take to get these people back to work, to eradicate poverty, to remove the despair Manitobans are feeling at this very minute?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, time would not allow me to list the number of endeavours this government has undertaken, but we could start with the $3.8 billion we are spending in training and retraining.

Let me be specific because I think it is very important. Some 326,000 Canadians will receive skills training. Of these 164,000 will receive the training through the Unemployment Insurance Commission at a cost of some $430 million and another 160,000 will be trained on a feepayer's basis. There is self-employment assistance of some $110 million.

There is a list—I could go on and on—of the assistance we are providing for young people to get into the work force, especially through training and retraining to upgrade their skills or to give them skills if they have dropped out of school at an early age and want to come back to take training and retraining.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my supplementary question is for the same minister. Those programs are doing nothing today for the 12,000 young people without work.

[*Translation*]

The minister tells us these policies and programs will deal with the situation. That is just not true and he knows it. Why is there so much unemployment in Manitoba? Fifty-five per cent of the unemployed are young people. Why is there so much poverty in Manitoba which has the highest youth poverty rate in Canada? Why do so many people go to food banks in Manitoba? I am told this year there will be over 100,000. What is the government going to do now, to put these people back to work?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I am surprised the hon. member minimizes the training and retraining. Just a few moments ago his colleague from Hamilton East said that what young people needed was training and retraining.

Mr. Duhamel: Yes, and I wish you would do it.

Mr. McDermid: They cannot have it both ways over there on the Liberal benches although they try to.

We feel training and retraining are the most important elements to get young people trained and back into the work force in meaningful high-tech jobs. We are doing it and it is paying benefits. We have seen employment rise every month over the last 11 months and we expect it to continue that way.

* * *

[*Translation*]

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of the Environment. The North American Free Trade Agreement provides for environmental protection measures unequalled in any other trade agreement in force today. NAFTA protects our right to establish and enforce our own strict environmental standards.

Could the minister explain his position on this side agreement on the environment with Mexico and the Americans and tell us why he is not proceeding with amendments to the Free Trade Agreement between Canada, Mexico and the United States?

• (1450)

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the Department of the Environment, which I have the privilege of heading, was directly involved in the discussions on the North American Free Trade Agreement. In fact, the agreement that came out of the negotiations is probably the greenest free trade agreement in existence today. It contains a commitment by the countries to sustainable development which constitutes a precedent, especially after the Earth Summit in Rio, and it also contains a commitment by each country to set standards they deem appropriate, as well as a commitment not to relax standards, legislation or regulations for the purpose of attracting investment.

Even more significant is a committment in the agreement or, should I say, parallel to it, to create a North American commission on the environment. The parties are now discussing the mandate of such a commission, and I hope we will be able to finalize the Free Trade Agreement as such so that we can have a continental approach to the environment.

* * *

[*English*]

PEARSON INTERNATIONAL AIRPORT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is also for the Minister of the Environment.

The minister will know that there was an environmental assessment review on the expansion of the Lester B. Pearson airport in Toronto. The minister will also know that the Minister of Transport has totally disregarded this environmental assessment review in the expansion of that airport.

Will the minister direct that the environmental review process be followed and that the environmental review process mean something in the expansion of government work?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I disagree with the hon. member's conclusions on whether or not the recommendations have been followed.

I understand the hon. member has a great deal of concern for this issue and I share his concern, but in regard to the environmental assessment itself the government has followed a certain number of recommendations. It has made some evaluations in regard, for example, to the runways and the recommendations made in the report. It also found that its own experts did not agree with some of the recommendations made in the report, more specifically on the north-south runway and for that reason chose to follow the course it has followed.

I may add by way of information for the hon. member, whether on this issue or another one mentioned earlier today, that individual departments direct the environmental assessments according to the environmental assessment review guidelines we are now living under.

That is a critical element in the implementation of the environmental concern. It is critically important that each department assume its environmental responsibilities and that it takes the recommendations in regard to the over-all concerns they have to deal with, and that is what the Department of Transport has done.

* * *

CRIME PREVENTION

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my question is for the Minister of Justice. However, before I ask it I want to tell my good friend, the Prime Minister, that I hope he does not change his mind. I am looking forward to seeing him where old prime ministers go: Madam Tussaud's or whatever.

Mr. Mulroney: Heaven.

Mr. Waddell: There is another direction too.

At the recent conference on crime prevention in Toronto the minister and his officials heard the same kind of evidence that our justice committee heard, namely that we prevent crime by tackling the social and economic conditions that cause crime. When the justice committee heard the same evidence we arrived at a number of recommendations.

What is the minister doing about those recommendations? It seems to me that for him and his colleague, the Solicitor General, it is all talk and no action. What is he doing about the recommendations?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, my hon. friend should recognize the results of the symposium in Toronto were very good because we got everybody together, from all parties as well, and I think we are going in the same direction.

We got the report from the standing committee about three weeks ago. I announced in Toronto that we were going to have a *comité du suivi* which would bring all elements of the symposium together. I will go to cabinet very soon to get some initiatives before the House, I would say, this spring.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, the minister talks about a *comité du suivi* or an advisory committee to follow this up. I ask the minister to be specific, because we were in our recommendations. We need a national crime prevention policy with a national council.

• (1455)

I ask the minister to tell the House who is going to be appointed to this committee that he talked about. What is the selection process? Who will the committee report to? What are its responsibilities and what is the timetable? I ask him to be specific, for some action and less talk.

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, I should remind my hon. friend that the symposium was last week. We are just about 10 days past that symposium.

I made a commitment at the symposium that we will get all those good ideas and good initiatives on the table. Before announcing what we are going to do I thought it was better to get what the people wanted us to do.

With this consultation process done now, with the standing committee report all together, I think going to cabinet to get the government's position on those different issues is the way to do things.

I mentioned in my previous answer that we were going to bring it to the House this spring. It is a good time frame.

[*Translation*]

I think it is entirely reasonable to assume that this spring we will be able to introduce initiatives in response to the recommendations made by the symposium and the standing committee.

* * *

[*English*]

CANADA SCHOLARSHIP PROGRAM

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, my question is for the minister of small businesses, science and technology.

All hon. members should agree that the Canada Scholarship Program has been an important incentive for many of our young people to enter university and to study science and engineering. The students of today will be crucial to Canada's competitiveness tomorrow.

Could the government comment on its plans for the future of this program and what it plans to do to assist young people in learning technological trades?

Ms. Copps: How is your householder, Edna?

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, my hon. friend opposite asks the member asking the question whether this is for her householder. I hope it is because she has been behind technological training for youth ever since she was elected to Parliament.

The program she is speaking of, the Canada Scholarship Program, is sponsored not only by the government but also by educators and by industry. We now have 2,500 scholarships annually under this program.

I would like to remind the House that we have announced a new scholarship program beginning this year for first-year diploma program students entering technology. There are going to be 800 scholarships for these technology students and it will grow to 1,600 scholarships by the year 1995. My hon. friend will be interested to know that a minimum of 50 per cent of the scholarships are awarded to women.

FISHERIES

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The minister will know that Nova Scotia fishermen feel somewhat abandoned by the minister of fisheries and the government for their failure to put in place an adequate compensation package.

In view of the seriousness of the situation on the east coast, what specific plan of action and time frame do the minister have in mind to assist these fishermen, plant workers and communities in their time of crisis?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. gentleman realizes of course that we do not have a moratorium in the fishery in the areas he is referring to so it is not, strictly speaking, comparable to the situation in the northern cod area.

Nevertheless, the reduction in the total allowable catch is very severe this year. There will be some thousands of people affected as to whether they become eligible for UI or not. With respect to what we can do for the fishery and processing plant workers, we are reviewing that situation. It is quite complicated because there are fisheries going ahead that will be quite profitable in other than groundfish species. The government is reviewing the situation.

We have to remember that most people are on UI at the moment and the fishermen will not be coming off UI until the middle of May. We still have some time to see whether any extraordinary steps are needed.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the minister of fisheries is not only the minister responsible for that department. He is also responsible for the Atlantic Canada Opportunities Agency. He knows full well the frightening high unemployment in some of the communities in Atlantic Canada. In fact in industrial Cape Breton it is 28.5 per cent, an alarming rate for any community in this country. Now thousands of fishermen and their families are having to turn to welfare and other means in order to provide for themselves.

I ask the Minister of Fisheries and Oceans who is seized with this particular problem and has been reviewing it for an extended period of time what specific plan of action, and the time frame for that plan of action, he is prepared to implement to assist those fishermen, those communities and those plant workers. Those Canadians deserve an answer.

• (1500)

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, our Atlantic groundfish management plan was announced the middle of December 1992. As I have said regular programs are in place, including the regular unemployment insurance program, and most people are covered, if not all, under those programs now.

There may well be as we approach May some people who come off the unemployment insurance program who will be affected so there is still time to review the situation.

There are many programs available: the Community Futures program, the Atlantic Adjustment Program and FAP, the Fisheries Alternatives Program. These are all being examined to see if we need more flexibility and what additional steps are needed. An announcement will be made in due course.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the minister of fisheries to whom I direct my question will know that today in Sydney and tomorrow in Halifax fishermen are expressing their outrage at the way the government is handling the fisheries crisis.

To sit here and listen to his responses to my colleague a moment ago one would think there is no problem. One would think that one program or another is taking care of all those people. That just is not the case.

How does he explain the outrage being expressed in Sydney today and in Halifax tomorrow? Is he all right and those fishermen all wrong, or is there maybe some truth to the charge that the government has failed those people in terms of the compensation package he ought to be making available to them?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, we are all familiar with the nature of campaigns that are launched and under way from time to time in connection with people who want the government to take action in one direction or another.

It is a common feature of all those campaigns. Outrage is a very considerable part of a campaign so I am quite familiar with the fact that outrage is being expressed. I am also familiar with the fact that we have many programs under way that are assisting fishermen and plant workers throughout Atlantic Canada. We are going to be spending $780 million to $800 million under the northern cod program. We are spending an additional $584 million under the Atlantic Fisheries Adjustment Program. We are reviewing the situation to see what additional assistance might be needed or what additional flexibility might be needed to assist the people who may require assistance because of the lower TACs this year.

Present programs at the moment are looking after them, but these present programs may well not be adequate after May. Naturally it is a feature of demonstrations and the like that people express their dissatisfaction and their disgruntlement. That is the nature of demonstrations.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of the Honourable Vassyl Durdynetz, First Deputy Chairman, Verkhovna Rada of Ukraine.

Some hon. members: Hear, hear.

Mr. Speaker: I also draw their attention to the presence in the gallery of Mr. Tassos Karamarios, member of the Greek Parliament.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

TABLING OF DOCUMENT

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, when the minister responded to my question on unemployment insurance today he suggested that I was using erroneous information.

I would like to take this opportunity to table the government document from which my question arose and in which it is said that a person voluntarily leaving employment by personal choice to take care of her child

and then applying for regular benefits would have difficulty in showing just cause as required by the act.

Mr. Speaker: Would the House give the member permission to table the document? Is there permission?

Some hon. members: Agreed.

ORAL QUESTION PERIOD

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am wondering if the Chair would give some consideration to a term which seems to be used fairly often in this Chamber by members opposite, the word erroneous.

I am sure the Chair would note that when a question is put sometimes the response is that it is erroneous in terms of its factual content. That gives a certain perception to the viewing audience which I believe to be inaccurate and unfair. At the same time those of us on this side could in supplementary questions accuse the government of being erroneous in its facts. I am wondering where this will lead us to.

• (1505)

Would the Chair take it under advisement to take a look at the implications and the fact that I believe motive is being impugned here. I do not think that is part of our Standing Orders and I do not think it is part of the traditions in the House to impugn the motives of hon. members who rise in their places to ask specific questions of ministers or of ministers who make responses to hon. members opposite.

Mr. Speaker: The hon. member has asked if the Speaker would comment on the use of the word erroneous. I might but I think I would prefer to wait until I have the full context of how the word was used and the circumstances under which the complaint was brought, because words in themselves without the context are not always the best guide to members.

I appreciate the comment of the hon. member for Cape Breton—East Richmond.

ROUTINE PROCEEDINGS

[*English*]

EXPORT DEVELOPMENT CORPORATION

TABLING OF ACCOUNTS

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, pursuant to Standing Order 32(2) I have the honour to table, in both official languages, the report on the accounts administered on behalf of the Government of Canada by the Export Development Corporation for fiscal year 1990–1991.

My intent in tabling this report is that Your Honour may be apprised of the usage and performance of the Canada accounts during the referenced fiscal year.

* * *

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 17 petitions.

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

* * *

CONFERENCE OF SPEAKERS OF PARLIAMENTS OF THE COMMONWEALTH

REPORT OF STEERING COMMITTEE

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report on the meeting of the Steering Committee of the Conference of Speakers of Parliaments of the Commonwealth, held in Windhoek, Namibia, from January 3 to January 8, 1993.

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

Routine Proceedings

HOUSE MANAGEMENT

76TH REPORT OF STANDING COMMITTEE

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 76th Report of the Standing Committee on House Management, on the membership of the Legislative Committee on Bill C–112.

Pursuant to Standing Order 113(1), this report is deemed adopted when laid upon the table.]

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

* * *

[*English*]

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

MEASURE TO AMEND

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade) moved for leave to introduce Bill C–418, an act to amend the Members of Parliament Retiring Allowances Act.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 68(2), the motion is deemed adopted.

Mr. McCreath: Mr. Speaker, I am pleased to have an opportunity to make a few brief remarks on the introduction of this bill.

The pensions of members of Parliament have been the subject of much discussion and a certain amount of mischief in recent years. Notwithstanding the mischief makers the Canadian public must realize that a readily accessible pension plan is a quid pro quo to the attraction of high calibre mid–career Canadians other than independently wealthy Canadians to leave their careers to serve as members of Parliament.

What is legitimately objectionable to the public is the notion that a person can come here early in adult life, serve a few years, and then leave to pursue another career while drawing a parliamentary pension potentially for several decades.

It is this problem that is addressed by the proposed legislation. It would simply indicate that parliamentary pensions cannot be drawn until the recipient reaches the age of 55. Its application would be to all persons including current incumbents elected to the next and subsequent Parliaments.

• (1510)

I recognize that a private member's bill is largely a symbolic act. However, if we as members are to be responsive to the public, we must be prepared to openly address these issues. As for myself, I believe we need a total review of pensions in Canadian society. All too often people are locked into careers by their pension arrangements that they would sooner leave. Others have no pensions at all.

I believe it is time for a mandatory, universally portable, individual pension scheme for Canadians that would apply equally for all Canadians including members of Parliament.

The Acting Speaker (Mr. DeBlois): Mr. McCreath moves that the bill be now read the first time and printed.

Pursuant to Standing Order 69(1), the motion is deemed adopted.

Bill read the first time and printed.

* * *

[*Translation*]

PETITIONS

COMMUNICATIONS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the petitioners call upon the government to ensure that on French and English radio and television, steps are taken to minimize the use of inappropriate language in programs and thus reduce the occurence of violence.

[*English*]

They really believe that much of the language and acts of violence on radio and television is in fact counterproductive to what people are trying to do in terms of the models they have set up for their families. They ask the government, indeed all parliamentarians, to reduce it and to remove it if at all possible.

[*Translation*]

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): I have a second petition today from residents of Saskatchewan.

[*English*]

They reflect the sentiments of Canadians throughout the country when they ask the government to review its policies on education. They condemn the government for having applied the 3 per cent tax on student loans and particularly the latest measure where it added another six months' interest to student loans.

They really believe that the loans program is inadequate and that it has to be revised. They are really quite afraid of the new proposal coming from the government where the banks will become involved. They are wondering who will set the eligibility criteria, what the role of the banks will be and whether or not that will diminish access to post-secondary education.

[*Translation*]

I support them because I think this is an excellent petition.

[*English*]

MENINGOCOCCAL DISEASE TEST KIT

Hon. William Rompkey (Labrador): Mr. Speaker, about a year ago Mrs. Wanda Quigley of Wabush, Labrador, circulated a petition across Canada which attracted over 25,000 signatures with regard to the production of a test kit for meningococcal disease. She lost a child to that dreaded disease.

This petition is presented on behalf of a large number of people in the province of Nova Scotia who call upon Parliament to urge the government to obtain ownership of the test kit and to have the situation with Health and Welfare Canada resolved so that the test kit can be on the market and available to Canadians.

SERIAL KILLER BOARD GAME

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, in accordance with Standing Order 36, I have the privilege to present a petition to this House dealing with violence on television.

Many studies have shown a link between violence in entertainment and desensitization to violence in our society. Hundreds of children, women and men are killed and are subject to inhumanities as a result. In particular, part of the culture of violence is the serial killer board game that comes with a bag of 25 babies. The point of it is to murder as many defenceless children and adults as possible.

The laws do not deal with this at the moment. The petition signed by over 80 people from Saskatoon asks Parliament to consider amending the Criminal Code so that violent and degrading materials such as the serial killer board game can be kept from being distributed in Canada.

MENINGOCOCCAL DISEASE TEST KIT

Mr. Joe McGuire (Egmont): Mr. Speaker, I wish to join my colleague, the hon. member for Labrador, in presenting a petition concerning meningococcal disease which has taken the lives of many children in Canada.

I am reminded of the death of young Islanders to this dreaded disease that gives almost no warning and no time really for treatment. The government should do whatever it can at the Department of National Health and Welfare to make this kit available that tests all types of meningitis at its early stages.

The names on this petition are from Summerside, basically Prince and King's counties, Prince Edward Island. I encourage the government to respond very quickly to this petition.

• (1515)

NORTH AMERICAN FREE TRADE AGREEMENT

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, the petition I have is signed by a number of people on Vancouver Island. It draws attention to the fact that the proposed North American free trade agreement has resulted in even greater trade concessions being demanded of Canada.

This agreement would cause Canada to lose more good jobs. If implemented, this trade agreement will result in further restrictions being placed on the ability of Canada's federal, provincial and territorial governments now and in the future from assisting Canadian industries, conserving Canadian natural resources for Canadian benefit and advancing needed social progress.

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

[*Translation*]

SERIAL KILLER BOARD GAME

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, pursuant to Standing Order 36, it is my pleasure to table a petition from young people in the riding of Hull—Aylmer.

They call upon Parliament to consider an amendment to the Criminal Code to prevent the distribution in Canada of violent and degrading material like the serial killer board game.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Question No. 458 will be answered today.

[*Text*]

Question No. 458—**Mr. Arseneault:**

With respect to Canada Post's operation of the Pointe-Verte post office in New Brunswick for the past five years, (*a*) was the post office operating at a surplus or a deficit for the outlined period, (*b*) what studies, reports and/or reviews have been carried out by the Canada Post Corporation on the operation of the Pointe-Verte post office?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): (a) The costs of operating an individual post office include both direct and indirect costs. Direct costs include the salaries and benefits of all employees, rural route costs, and the accommodation costs for the premises occupied by the office. Indirect costs include the portion of the highway service truck delivery costs, the costs to process the mail in downstream mail processing plants, the costs of delivering the mail generated in the office, the portion of the cost of the corporate infrastructure and overhead, or the portion of the capital costs of purchasing new equipment to process and deliver the mail, or to develop new technology. The direct costs only of operating the Pointe Verte post office are more than two times the revenue generated.

(b) The corporation has reviewed the mail processing and delivery activities of the office, the need for the office in the network, the distance to neighbouring communities, the relative size of the community, the nature of its business base, the number of customers served, the existing modes of mail delivery, the remaining complement of employees, the suitability of the building, the costs to operate the building, demographics and shopping patterns, and the relative costs of alternate services.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 405 could be made an Order for Return, the return would be tabled immediately.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House that Question No. 405 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 405—**Mr. Althouse:**

With respect to the Farm Credit Corporation (*a*) sales and rental agreements (i) what are the land location numbers, name of previous owners and name of new owners or lessees, (ii) what is the closing date used for each parcel of land offered and the date that the deal was closed on each transaction, (*b*) rules applied in presenting tenders for the sale or lease of lands (i) does FCC have appraisals done by third parties in determining the asking price on properties offered for sale, (ii) are closing dates adhered to, (iii) can more than one bid be submitted and can bids be submitted after the closing date for bids, (iv) who is present at the opening of bids, (v) does anyone represent the current or former owner, (vi) when are the names, addresses and bids of the winning bidders made public?

Return tabled.

[*English*]

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

The House resumed consideration of the motion of Mr. Bevilacqua.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I am pleased to have an opportunity to participate in the debate today, although I must say that when I read the motion put forward by my hon. friend I cannot help but wonder what world he is living in.

It ignores the facts at home and it ignores the facts abroad. It takes what I guess Canadians are coming to see as a typical Liberal approach to policy. There is no substance. They chase the polls, pretend to be in favour of whatever seems to be popular, are against absolutely everything and criticize every initiative taken by anyone else.

Consider this business of pretending that we are still mired in a recession when clearly we are starting to come out of it. There is no question that we have been through a tough recession. The whole world has been through it but things are turning around and Canada is well postured to come out of it.

Furthermore, I might say that it is interesting to note our recovery is export driven by the trade policies put in place by this government, every single one of which the Liberal Party opposed. Is that not interesting?

We hear them talk about all the terrible things going on. Let us check the record. Let us look at what is going on in the country today. The unemployment rate dropped in February from January. The help wanted index rose by four points in February. The composite leading indicator was up 0.7 per cent. That is a huge jump and a good sign of robust growth over the next few months. They scoff on the other side but these are the facts. We have to deal with the facts as they are, not as they wish were.

Housing starts in February jumped 6 per cent over that in January. Exports in January 1993 set another record. We sold $14.6 billion of goods and services to the world, which is more than we sold previously in the history of this country.

In 1992 exports set an all-time high and were up 11.2 per cent from 1991. The inflation rate in February 1993 was only 2.3 per cent. That is not bad when we compare it with a 12.9 per cent inflation rate that the Liberals left us when they left power.

Our workers are more productive. Statistics Canada reports said that labour productivity has had its best rate in almost 10 years. In 1992 output per person was us 2.3 per cent. We are coming out of this recession. We are well postured and we are well positioned to deal with the changes going on in the world.

• (1520)

Why? It is simply because the government has had the foresight and the courage to put things in place. The world is changing whether my hon. friends opposite want to know it or not. In fact one of our colleagues here, the hon. member for Halton—Peel, has recently published a very excellent book. I want to give him a plug. He looks ahead and talks about some of the things that are going to happen in the future. I would recommend this book to all my colleagues for their reading.

Here are a few of the principles that he sees as he looks ahead: a lot more globalization, success to those who are competitive, competitive pressures to reduce taxes and lessen regulations, more efficient government, pressure to control government spending, more economic restructuring, changing demographies, and it goes on.

Whether my hon. friends opposite want to acknowledge it or not, the world is changing and Canada must change to align itself with the changes in the world so that Canadians will be able to benefit and have a level of prosperity such as they never experienced before as we head into the 21st century.

That is precisely what underwrites the economic plan of this government set forth in November 1984 when it first came into office.

It is interesting to reflect on that performance over the last eight and a half years. There has been a five-part program. These are not *ad hoc* random happenings that have gone on. There is a clear structure and a plan to prepare Canada to be competitive in the 21st century. It has included a program of deficit control. Interestingly enough, every deficit control measure that has been

brought in since I have been here has been opposed by our friends on the other side who have now become the apostles of deficit control. Is that not interesting?

Tax restructuring has made our Canadian manufacturers more competitive, difficult though it was to go through. I notice my hon. friends scoff. I notice they opposed the restructuring but they have absolutely no idea what they would put in its place.

New trade agreements have provided market access for our exports. Twenty-five per cent of the jobs in this country are dependent upon exports, and one needs somewhere to export to. Our friends across the way would get rid of our various trade agreements. I do not know where they propose to trade without them.

There are privatization and reduction in the size of government. Each of these measures has been opposed by the other side, yet those are the things that have taken 60,000 to 70,000 people off the payroll of the Canadian taxpayers.

There are industrial adjustment programs. Obviously structural changes in the economy impact directly on people. That is why the government has brought in the labour force development strategy the elements of which, once again, were opposed by the other side. It has taken a passive approach to handing out money to people and turned it into an active approach in terms of unemployment insurance. It not only provided interim support for people but provided opportunities for them to train themselves so they will be prepared to take advantage of the opportunities that exist as we head into the 21st century.

These programs have been targeted at improving productivity. I just quoted a figure a moment ago on how Canadian productivity has gone up. Improving productivity, quite simply, means enhancing our competitiveness and enabling us to take advantage of those opportunities.

The strategy is clearly working when we look at the growth in jobs. There are 118,000 more people employed in Canada today when compared with a year ago. Clearly it is working. One of the manifestations is when we look at the growth in trade surpluses. Clearly I am sure that if my hon. friends opposite reflect soberly they will realize that actually these initiatives have done a great deal.

I know my time is limited, but I would like to focus on the trade area, some of the initiatives that the government has taken, the impact of those initiatives, and where we are going from here.

Trade agreements provide opportunities. Results come when firms, businesses and workers take advantage of those opportunities. If we are going to take a look at the free trade agreement and assess its results, and if we are going to look at the potential that NAFTA offers us, we have to look at them for what they are and not for what they are not. We cannot throw up a bunch of smoke-screens and simply go out and try to terrorize or scare Canadians.

I remember in 1988 when the Liberals and the NDP went around and told everybody they were going to lose medicare; they were going to lose this and they were going to lose that. Well, guess what? Four and a half years later what do we have to show for the free trade agreement? Our exports have gone up dramatically in Canada. We still have medicare and we still have our social programs.

The free trade agreement should not be confused with the recession in terms of its impact on the economy. The recession has devastated our economy in many respects. Let us face it, but let us try not to play the game, as I heard from some speakers earlier in this debate, by saying: "Ah well, every job that has been lost has nothing to do with the recession, it has everything to do with the free trade agreement".

• (1525)

I quoted a number of eminent authorities earlier today in responding to one of my hon. friends, but just for their benefit since I see a number of Liberal members in the House let me quote from one of the most reputable Liberal sources in the country, *The Toronto Star*. What did *The Toronto Star* have to say about the free trade agreement? Let me quote from *The Toronto Star* of February 7, 1993: "Far from creating the recession the FTA has softened its effect. The recession has been global and coincided with the fundamental restructuring of the world's economy. Critics too often attribute the effects of both the recession and restructuring to the

demon FTA when without the FTA and those increased exports Canada's recession would only have been worse and restructuring more difficult".

If my hon. friends in the Liberal Party are not going to accept the gospel according to *The Toronto Star* then the universe is really not unfolding as it normally does.

Let us take a look at the evidence and the facts on what the impact of free trade agreement has been. A recent study by the C.D. Howe Institute shows that since the FTA Canada's trade balance with the United States has improved more than its trade balance with other regions. The C.D. Howe study also shows it is in those sectors liberalized by the FTA that exports have increased the most, in particular those in non–resource based manufacturing.

Total merchandise exports to the U.S. have increased to record levels since the FTA. From $102.6 billion in 1988 exports reached $122 billion in 1992. This is a 19.2 per cent increase in four years. Exports in 1992 increased 13.6 per cent over 1991. Canada's merchandise trade surplus with the United States was $17.7 billion, a 27.3 per cent increase over 1991. In December alone Canada's trade surplus with the United States increased by $411 million to a record $1.96 billion.

Those are pretty extraordinary figures and it is hard to say: "What does that mean for me as an individual?" What it means quite simply is that exports mean jobs. If our Canadian companies are to continue to grow and prosper they have to be able to compete where the markets are. If we are to try to shelter our Canadian workers from the rest of the world then quite simply there is not going to be an opportunity to sell in those markets. We have to be competitive.

Clearly the FTA has contributed to our competitiveness. I noticed in January 1993 our exports to the United States were 23 per cent higher than in the same month only a year earlier.

Another impact of the FTA has been the sharp increase in foreign direct investment into Canada since it was implemented, clearly showing confidence in the Canadian economy and in the government's structural reforms. Investors from all over the world know, and indeed Canadian investors know it, they can invest in factories and the expansion of businesses in Canada and that they have access to the largest market in the world in the United States.

Investments quite simply means jobs. The growth of investment that has been the direct result of the FTA clearly has been beneficial. Our exports to the U.S. are setting record levels. Our merchandise trade surplus with the U.S. is at record levels. All this has had a positive effect on job creation with a net increase, as I said earlier, of 118,000 new jobs more than in the previous year.

That is performance. That is the outcome of the FTA. What does the Conference Board of Canada say about the FTA? "Free trade critics are confusing the facts. They are blaming the FTA for job losses that are attributable to a variety of other economic circumstances such as the recession. There is also evidence that the FTA, rather than hurting the economy, may have actually offset some of the damage that the recession has done to the Canadian economy today".

I could go on and on. I have a lot of quotes here that I would be pleased to read into the record for the benefit of my hon. friends, but I think the point is clearly and unequivocally made. The fact is that the free trade agreement is doing for Canada exactly what it was supposed to do, creating economic opportunities and creating jobs.

• (1530)

When this recession is fully behind us there is absolutely no question that the Canadian economy is going to be booming as never before.

Now we are moving into the next step, the North American free trade agreement, which has been signed and which adds another 85 million people, creating the largest market area in the world with Mexico, Canada and the United States.

It builds on the FTA. It is interesting to note a number of features of the NAFTA. Already I hear my colleagues opposite, particularly my friends in the New Democratic Party who seem to be out to convince the entire world that NAFTA is going to put them out of business and make them all unemployed.

It is interesting to note with respect to the NAFTA the auto pact remains the same. Agriculture will see some barriers removed to the export of Canadian goods into Mexico. Yet our supply management system for poultry and dairy remains untouched, exactly the same, protecting the food supply of Canadians and protecting Canadian farmers.

It preserves the FTA exception for cultural industries. I remember all the talk in 1988 about culture and about how the door was being opened when culture was not in there. Culture is not in the NAFTA either.

Health and social services remain fully protected. Canadian government policy prohibiting large scale export of water is unaffected as well. We have heard talk about that. If it is bottled and manufactured then it can be exported. That is the limit on it and has been the case up to now.

Of course it provides market opportunities for Canadians in the area of natural gas exports. What is the impact on the environment? We are hearing a fair bit of talk about that because of the bilateral discussions that are going on. It is interesting to note that the NAFTA itself contains more provisions relating to the environment than any other trade agreement ever signed in the history of the world. There is a strong commitment to sustainable development and to environmental protection.

Countries may maintain their own environmental standards. There is absolutely nothing in the NAFTA that will bring down the environmental standards that Canadians insist upon as the basis for government in our society. It prohibits the reduction of standards in health and safety as well as in the environment that attract investments. There is going to be a procedure to observe that.

As we know there are parallel discussions going on. People seem to be suggesting that because parallel discussions have been started on the environment and labour as cases in point, there is nothing happening with respect to the environment.

I want to point out, to use a word raised by the House leader of the Liberal Party earlier today, nothing could be more erroneous than that suggestion. Canada put the suggestion on the table one year ago that we should look at further enhancing environmental predictions through trilateral discussions. With the change of government in the United States the Americans are being more responsive. Some people would suggest we are taking the cues from the Americans with respect to the environment.

There is no country in the world that has the enviable reputation of this country in terms of its record with the environment. We saw that at the onset at the United Nations conference on environment and development last June in Rio when Canada was looked to as the delegation that was providing leadership in the world in the area of sustainable development and in the area of the environment. Our green plan was looked upon as a model to be followed by all nations.

We as a government welcome the new increased interest that the new American government has in terms of environmental protection. We are absolutely delighted to have an opportunity to sit down to discuss further enhancing protection of the environment.

As well, I might say there should be no misconceptions about what the impact of collateral discussions on the NAFTA itself. President Clinton has made it very clear it is the intention of his government that NAFTA will go ahead on schedule, unchanged. It will not be reopened. It will go ahead on schedule on January 1, 1994. Hopefully by that time we will have these side agreements as well.

As with NAFTA there will be full consultations with all affected groups, with provincial governments, with business and labour groups and so on, so that the opportunities presented to Canadians through those discussion to have their input will be there, as it has been before. What is important about NAFTA is what the Government of Canada wanted to get out of these negotiations and what in fact we achieved through these negotiations. We hear a lot of talk in the House about Mexicans but as far as this government is concerned its primary concern is what is best for Canada.

• (1535)

We headed into those NAFTA discussions with the interests of Canada in mind. Essentially there were three objectives set forth by the Government of Canada. The first was access to the Mexican market, to gain access for Canadian goods, services and capital to Mexico, one of the fastest growing and most promising economies in the world, on an equal footing with the United States.

Clearly these discussions between the U.S. and Mexico were going to happen. If there was a bilateral agreement between the U.S.A and Mexico on the one hand and a bilateral agreement between the U.S. and Canada on the other, one does not have to be a genius to figure out where the investment is going to go. The investment is going to go to the United States.

By being part of a trilateral agreement we have the opportunity to enhance investment in this country. That was an objective we sought. That was an objective we have achieved.

Second was to improve and protect the FTA, to resolve trade problems with the United States that had occurred during the past few years while ensuring no reduction in the benefits and obligations of the FTA.

The FTA was a complex document negotiated over many months and brought into place on January 1, 1989. Naturally as with any document of that magnitude there would be some chinks in the armour and some little problems that had to be worked out. The NAFTA negotiations provided us with an opportunity to put on the table the concerns of Canada as a government with the way the FTA was working, for example things like the establishment of Canadian content in automobiles. Things like that were sorted out in the NAFTA. The second objective was achieved.

Third and finally was our aspiration to see that Canada remained an attractive location for investment. Obviously investment is the key to growth. By being part of this large North American market of 350 million people Canada now has a marvellous basis for the attraction of investment from abroad, the result of which is going to be more jobs for Canadians and the opportunity to maintain the high standard of living we have.

In conclusion I must say when I reflect on the motion put forward by the hon. member opposite I really think it is time for him to go back to the drawing-board. I hope he will listen to the speech delivered earlier today by my hon. friend, the Minister of State for Finance and Privatization, who dealt with a number of fiscal matters. I hope he will listen to what I said on trade. I look forward to the rest of the debate. I trust my hon. friend on reflection will realize that perhaps this government is doing an outstanding job and should be sustained as it will be at the next general election.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I would like to make a couple of comments and then pose a question to the hon. member.

He indicated that he was disputing the essence of the motion, that there is stifled economic growth. How would the hon. member respond to the concern of the youth around the country who say they have lost hope in this government? When they graduated with skills they could not find jobs. They also fear the skills they have today may not be relevant tomorrow.

Would the hon. member respond to the specific question of whether he would favour the establishment of a national apprenticeship program and the creation of a Canadian youth service to address the very emergent concerns of youth about unemployment and their future?

Mr. McCreath: Mr. Speaker, I would like to respond to my hon. friend's question.

We can dress these programs up in any kind of fabric we want but the bottom line is that what is best for the youth of Canada is a strong economy. A strong economy where there is economic growth, an economy in which there are incentives for investors, will mean the establishment of manufacturing enterprises and that is going to mean job opportunities.

Job opportunities and the economic growth that would spring from them are exactly what young people are looking for today.

We have benefited for many years from a high quality of education in this country. Right now our education systems are challenged as never before, challenged in part because they are looked upon to accept responsibility for all the social evils of society and the difficult problems that kids bring to school, challenged also by the level of resources available to them. Government restraint is popular in principle but when it means not providing the growth in expenditures that may be expected, whether in youth programs, education, transfer programs to the provinces or whatever, they are difficult to cope with.

• (1540)

In the long run the best thing we can do for young people is not burden them with the debt of our past but ensure we have a strong economy that will provide them with the jobs and the opportunities they are looking for in the future.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I must agree with the concluding statements of the member opposite, although I would put a slightly different interpretation on them. He said the government could not be accused of not working as hard as it could. It certainly is working as hard as it can to distort the effects of what has happened as a result of the free trade agreement.

I was referring this morning to the very expensive tabloid the government sent to every household in the country. It said that since the free trade agreement no country has been able to take a larger share of the U.S. market for manufactured goods than Canada. As a matter of fact the U.S. commerce department's figures, obviously different figures from what the government is using, point out it is from simply not the case.

Japan had the largest share increase in manufactured imports both before and after the FTA was implemented. As a matter of fact Australia, Mexico and South Africa had a larger percentage of growth in imports into the United States than Canada, and they do not have a free trade agreement with the United States either. There certainly is a lot of distortion there. I am at a loss to understand why the government would try to convince us otherwise.

I would like to come back to a statement that the member made the other day in relation to the free trade agreement. He said that as Canadians we must take down this wall of high wage protection we have put around ourselves and get ourselves reintroduced to the real world.

There seems to be a tremendous amount of concern on the government side for the workers in Mexico and great praise for the free trade agreement and how much it is going to do for them. The Maquiladora sections of Mexico have had free trade for 20 years. The Mexican workers who work in that area of Mexico are suffering from lower wages than the workers in the rest of Mexico.

I ask the hon. member how on earth he can extrapolate from the evidence that either the Canadians or the Mexican workers will be better off under the North American free trade agreement.

Mr. McCreath: Mr. Speaker, if my hon. friend from Saskatoon—Dundurn really thinks that South Africa represents serious competition for trade with the United States then I suggest he has a very creative way of looking at the growth of trade in the world.

Let us deal with the point that he makes about wages. I know he takes everything I say as gospel, but just on the off chance that he might be a little bit suspicious let me read from another source, an expert in this area, the Business Council on National Issues, which I know he will recognize as a very reputable source. The council states: "Low wages are just not a main source of competitive advantage for the knowledge intensive industries that play an ever larger role in modern economies. If low wages were the key to investment decisions the poorer regions of Canada and the United States would account for disproportionate shares of domestic business investment. In fact relatively low wage regions of both Canada and the United States generally receive disproportionately smaller shares of business investment including manufacturing investment".

My friend talks about the Maquiladora, which represents about 2 per cent of the manufacturing economy of Mexico. We are dealing with a very unique circumstance in terms of those free trade zones to which he refers. He and his colleague from Nanaimo—Cowichan would have the entire country think that all future manufacturing in North America is to be done in the Maquiladora of Mexico.

The reality of the situation is that our international competitors are not low wage countries. They are Europe, the United States, and Japan. The same thing applies. What is significant is the cost of production and productivity, not just the price of labour.

• (1545)

Mexican cost of labour is less, on average seven and a half times less than the price of labour in Canada. On the other hand productivity of Canadian workers is six and a half times higher. Access to capital in this country is also considerably higher. The productivity of capital technology is higher in this country. That is why Canadians can compete. My friends in the labour movement and the NDP should not be afraid of Canadians they should take pride in what Canadians can do. It will be a success story just as the FTA has been.

Mr. Maurice Foster (Algoma): Mr. Speaker, I listened to the hon. member for South Shore with great interest. He seemed to be saying that the NAFTA was a great step forward in helping the supply management sector, helping trade and so on.

I wonder if the hon. member could explain exactly why the government failed to get a subsidy code and an anti-dumping code the free trade deal when it was renegotiating under NAFTA. Taking into account all the problems we have had with the steel industry, with the hog and pork industry, all the trade dispute problems that the Prime Minister said would be solved by the FTA, it did not make arrangements to have a subsidy code so there would not be any future countervail duties against Canadian products being sold to the United States? Why did we not make arrangements for a countervail duty code so that everybody would know? Since every other free trade deal in the world, whether it is the European Economic Community group or the Australasian group or the New Zealand-Australia free trade deal, has these arrangements why did this government not—

The Acting Speaker (Mr. DeBlois): Order, please. There is one minute remaining in the comments or questions period.

Mr. McCreath: Mr. Speaker, I could hardly do justice to such a complex question in one minute but I will try the best I can.

The important thing is that we do have a dispute settlement mechanism, in fact we have two of them in a general way in chapter eighteen and more specifically in chapter nineteen, which is definitive and inclusive.

As for the subsidy definition issue obviously it would be desirable to sort it out but the two parties have not been able to come to an agreement. What is important about the FTA and about NAFTA is what we have come to an agreement on.

My hon. friend talks about agriculture. I remind him again that the supply managed sector in Canada is fully protected under the FTA and again under NAFTA. If he thinks it is such a bad deal for farmers then he should talk to the pork producers. He should hear what they think about the FTA and the mechanism for resolving disputes which have served Canadians so well and so effectively and which we would not have without the FTA.

Mr. Dennis Mills (Broadview—Greenwood): I am happy to have an opportunity to participate in this debate. The motion put forward by my colleague from York North was:

> That this House condemn the government for its policies that have stifled economic growth, destroyed Canadian jobs and exacerbated the recession.

My colleague left out one very important point in his motion when he talked about destroying Canadian jobs. There is one sector of the economy of this country that has grown, and that is the lobbyist sector. Under this government the lobbyists have managed successfully to influence and assist in this government's policy in a most destructive way for the past seven or eight years. I do not think Canadians today realize just what a force the lobbyist industry has been on this government.

Another area that has grown under this government is the area of the underground cash economy. There are experts today who would suggest that the underground economy in this country is worth over $100 billion.

• (1550)

There is a professor at the University of British Columbia, W.E. Diewert, who said that before the GST the underground economy was somewhere in the neighbourhood of $80 billion and since the GST it has been exacerbated and is now in excess of $100 billion.

When this government stands up today to defend its record I wonder what planet it will be on. When we go home to our ridings on the weekends or during breaks we run into people day in and day out who are without jobs, young people who are just graduating and cannot even get interviews because there is not even an opportunity. We talk about small businesses that are hanging on by their fingernails, and the government stands today and quotes its record and its statistics.

During the next election the central issue in the campaign is going to be one of trust. government members are going to be one of trust. Governement members are going to be saying "Trust us to stay the course". I cannot believe that the people of Canada will accept that, and it will not matter who the new leader is. It will not matter if it is the minister for small businesses, the Minister of National Defence or the member for Cambridge. The bottom line is they are going to run on their record of the last nine years.

This is a government that took office in 1984, talked about tax reform and then proceeded to install 32 tax increases, including this poorly designed GST, at the worst time in our economic history in terms of a downturn. The government crushed the confidence of the community at the retail level. It taxed books. It put a tax on cold pizza but not on warm pizza. It will not matter who the Conservative leader is because that GST is going to be on every doorstep morning, noon and night.

It was the same when we talked about the free trade agreement during the last debate. To this day I believe that the right hon. member for Vancouver Quadra won the free trade debate but Canadians were fooled by the foreign multinational advertising led by the Business Council on National Issues, another example of where the lobbyists came in and bought full-page ads and radio ads and fooled Canadians with third party advertising. I pray this time Canadians will not be duped again.

Today there is this big media hype about the Minister of National Defence, a person who has rarely given a speech in the House of Commons. We do not know really what she stands for, but at the same time there is this media hype around the country saying that she is the answer to all that ails us. Yet at the same time she has been part and parcel of every decision that has taken place in this House for the last five years. She was there for the GST. She is there for the helicopters.

I do not believe for a minute that Canadians are going to stand by and just say that they want another four years of Conservative rule and that they want another four years in which, according to the latest numbers from Statistics Canada, there are 2.2 million people receiving welfare and 1.5 million people on unemployment insurance. Last year we spent close to $35 billion on welfare and unemployment insurance and the interest on those costs.

Speaking constructively about an idea that the government came up with just before Christmas, the Small Businesses Loans Act, we all know the greatest hope for new job creation lies with small business. The Small Businesses Loans Act was a good idea that the government had, but once again it has managed to screw even that up. It is unbelievable what it can do to a good idea. It thinks that Canadians are stupid. It was an idea that was announced in December to put some cash, some capital back into the hands of small business because that is where the job creation potential is and that is where our greatest hope is.

• (1555)

Here we are pushing April and we still do not have the message out to small businesses. I have said it in this House for the last three months. I keep begging the government to communicate this idea, advertise this idea. What does it do?

It has no sense of urgency. It does not realize that the bank manager will come knocking on the door saying: "Hey, your mortgage payments are behind" or "Mr. Small Businessman, your overdraft is unacceptable. We are not going to help you any more".

The government does not understand the sense of urgency. It does not understand when people are out of work or are about to lose their homes or their jobs or their businesses, the slap in terms of personal dignity that takes place. It seems to coast along takes its time. I believe Canadians during the next election are going to remember the deep pain the government has inflicted on them.

I am not suggesting for a second that any party, any person has the magic answer or has the magic wand to correct a global recession. That is not where I am coming from. I am coming from a point that when people are in deep pain and are looking to their leaders to give them some hope, this government sort of throws up an idea but then takes its time in implementing it.

I know of small businessmen dealing with this government who have been waiting in some cases for a year and a half, up to two years, to get action on files that they requested of this government. This lack of urgency, this seeming indifference to people when they are in deep pain, is going to be this government's legacy when we go to the people over the next few months.

As I said, I do not think for a minute we have a flash answer to correct all that ails us. Throughout history even with the flaws in the Liberal Party, and I know from time to time we have incurred larger deficits and therefore caused more debt in this country's Treasury, the Liberals, if one goes back 50 years, have the greatest record for putting people back to work.

When I go door to door or store to store in my riding in the next election and they ask me what the Liberal Party stands for, I will tell them to look at our record over the last 50 years and they will see that Liberals put Canadians to work. Liberals create more jobs than any other party and, quite frankly, I would rather have a little bit of debt on the nation's Treasury but let Canadians have their dignity and have them working.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I see my hon. colleague wanted to speak. I will be brief. Maybe there will be time for him too.

My hon. friend says that Liberal governments put people to work. During the tremendous boom of 1985 to 1990 the Liberal Government of Ontario put people to work this way. It hired over 18,000 public servants. That is how it put people to work. In the middle of a boom it added to public servants.

We read last week that the NDP government in Ontario is to lay off 18,000 people.

Does he believe that the way to create jobs is to hire public servants? Is that the Liberal approach, because if it is, it is not the NDP approach it seems any more, or the Conservative approach.

Mr. Mills: Mr. Speaker, I cannot believe the minister put that question to me. He knows full well that it is not the approach of the Liberal Party of Canada. The Liberal Party of Canada, and he knows this full well as I have said it in the House 150 times in the last three years, believes in entrepreneurship. The Liberal Party believes in small business.

• (1600)

There are over 960,000 small businesses in this country. Perhaps we could get the bill of the minister advertised and get the banks of Canada, instead of getting the CDIC to guarantee Edper, Campeau, Central Guaranty and the Royal Trustco, to help small business. He can find $10 billion for those people but he cannot find money to advertise to small business.

That is what is wrong with this government. We are not asking it to create a bureaucracy. We oppose red tape as much as anyone but we hate it ripping the heart and guts out of small business. The government is doing it by creating expectations with the Small Businesses Loans Act and not communicating the reality to the banks and the people that it is available.

When the minister talks about David Peterson and his Liberal Party hiring 18,000 public servants, I am not sure his facts are absolutely right. I will give him the benefit of the doubt that he did hire them. During that period he also balanced the budget.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I will be brief. The hon. member raises a valid point about the underground economy. It seems to me back in 1981 when we had our last recession we had electricians and others unemployed. It was quite common when we went into the Legion to have a beer to hear people talking about whether so-and-so could do a job for cash under the table.

What he suggests in 1991 was just as true in 1980. When he expresses concern about going in and talking about the Small Businesses Loans Act, does he not feel better knowing that businesses have a better chance? If we went back to 1981 the prime bank rate was 22 per cent. Today he has to say because of these Tories and Tory policies the bank rate is 6.75 per cent. That must make businessmen feel a little more assured.

What about the consumer he bumps into who 10 years ago, back in 1981, had a five-year mortgage rate at 21.75 per cent? How does he explain to them today the difficulty and that the rate is under 9 per cent? How does he match the two?

Mr. Mills: Mr. Speaker, I can respond to that quite easily. First of all, when we talk about the global recession that took place in 1980-81, the interest rates in the United States were close to 16.5 per cent and 17 per cent. Let us compare apples and apples.

The difference between 1981 and 1991 is that we had in our budget at that time a special recovery program. We did incur a little bit of debt to the Treasury but we built things. We built airports, things that we needed, non-optional use facilities. We built infrastructure because we would much rather pay people. We would much rather pay people to be out working with their hands and their minds than to give them a welfare cheque and have them sitting at home watching videos.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I appreciate this opportunity to enter into this debate. I want to follow up on what my colleague has talked about in his opening remarks to the people of Canada.

One of the things that has concerned me the most as a member is the facade which the Conservative government is now putting up, that everything is good in the land. It says we had a recession. It was a world recession. It was not our fault. We could not do anything about it. We have a debt so therefore we do not have the capability of helping Canadians to find work and to get the economy working again.

The facade that is being portrayed in this House today has been portrayed out on the hustings for a number of months because an election is coming. It has to be put to rest. We have to get back to the debate that we are in today, concerning legitimate ideas from members of Parliament as to how we get 1.5 million Canadians back to work.

Before I give my suggestions, and allow the government to analyse them, I hope it will do something instead of spending its time trying to suggest to Canadians that things are great out there. Let me mention to the government opposite what has happened in the last few years.

In 1990 Canada's business community had 11,642 bankruptcies, 2,907 in Ontario alone. In 1991 Canada had 13,496 bankruptcies, Ontario had 3,629. In 1992 Canada had 14,317 bankruptcies, Ontario had 4,240. These are business bankruptcies. They are not personal bankruptcies, and the difficulties incurred with that issue. They are simply business bankruptcies.

• (1605)

I want to spend my time today talking about what the government should be doing to get people back to work. It should be dealing with ways of helping small business, getting governments off the backs of small business. In that way small businesses can start spending their time figuring out, imagining in their own minds and being creative, ways to create employment and of course to make a profit for themselves in creating that employment that we are talking about.

I want to mention something that I got from a friend who is the new president of the Ontario Hotel–Motel Association. He gave me a list of regulatory hoops that a small business has to go through in order to start up a small business in Ontario. They call it the wall. In front of me I have a list of 42 regulatory agencies which a small business has to talk to before it can even open its doors. There are 42 different agencies in Ontario that an entrepreneur has to go and see before he can even attempt to make his first dollar.

Let me list them as quickly as I can. It is important for people to realize and not to be surprised that nobody in this country would even dare to start their own business given these kinds of situations.

Entrepreneurs have to see the municipal authority and check the by–laws. They have to look at the planning act, check the official plan and the zoning by–laws. They have to have a site plan control and deal with regional authorities, public works, policy statements, proposed wetlands policy, the Municipal Act, Building Code Act, Public Parks Act, Public Lands Act, Surveyor's Act and Surveys Act, Provincial Parks Act, Woodlands Improvement Act, Forestry Act, Crown Timbers Act, Trees Act, LLBO, Hotel Fire Marshall, Boards of Navigational Waters Act, Lakes and Rivers Improvement Act, Conservation Authorities Act, Wilderness Areas Act, Aggregate Resource Act, Fisheries Act, Endangered Species Act, Environmental Protection Act, Ontario Water Resources Act, Environmental Assessment Act, Public Health Act, Ontario Heritage Act, Foodland Guidelines, Farm Practices Protection Act, Off–Road Vehicles Act, Public Transportation Act, Highway Improvement Act, Public Service Works Act, Industrial Safety Act, Occupational Health and Safety Act.

Mr. Speaker, when you take a look at these regulatory agencies, can you imagine why no one in their right mind would want to start a business in Ontario or in Canada?

Mr. Mills: You have not even included the Income Tax Act.

Mr. Nault: That is right. My colleague says we have not even included the GST and the nightmares the government has created for small business by having it be the government's private tax collector.

I have done what the minister opposite who intervened in my colleague's speech asked us to do. I sent a letter to the business community in Kenora—Rainy River. I am sure all members here have their business community on their computer. I sent businesses a little memo telling them about the Small Businesses Loans Act and how they should go to their local bank and ask them if they can take a look at this. I told them if they are having difficulties because of the very difficult recession we are in and they want to try and keep themselves going and get the kind of capital and investment they need to create employment and stay in business the federal government is prepared to help them by guaranteeing up to 90 per cent of a loan to small businesses.

I did that in good faith because the Minister of State for Small Businesses and Tourism said the government was really going to sell the Small Businesses Loans Act, it is a great thing. He is right. I want to help out and get our small businesses back to work so I sent this out to the businesses in my riding.

• (1610)

The phone started to ring minutes after people got this in the mail. They said: "This is great. We have got a program. I did not know this". They went to their bank and the banks did not know about it. The local bank managers in northern Ontario kept telling the small business community: "Oh, that is interesting. Small Businesses Loans Act. I do not know anything about that.

An hon. member: It's a true story.

Mr. Nault: No wonder small businesses are going bankrupt in this country with the kind of banking establishment they have to do deals with.

I am now presently researching how to create a northern Ontario regional bank because we really are in desperate trouble in northern Ontario.

The member opposite grins and shakes his head and laughs. However, if one tries to get a loan in northern Ontario one will see what it is like. Even in the best of times in northern Ontario some individual from Toronto calls them up and says there is a depressed area in northern Ontario. It is about the size of Nova Scotia or New Brunswick but it is a depressed area. One does not loan money up there.

That is so even if there are people such as those on my list who have been in business for 10 and 11 years and have been very successful and who are looking for some help during a very difficult time. One individual here owns her own business and all the property that is involved with it. She does not have a loan whatsoever. She asked for a line of credit and she was turned down. They would not take her property because the bank in Toronto the big guys in Toronto, said that Rainy River was a depressed area. One cannot lend money there.

That is my point. My point is that we either have to change the system or tell the banking community that it had better get its act together or we will have no choice but to do something about it.

I tried to find out what the banking community was up to. I have a very good friend in the riding who is a fairly wealthy businessman. He got a letter the other day from his bank, which is the Royal Bank. I cannot say who the gentleman is or what his financial situation is but I know personally that he is quite wealthy and owns a lot of property.

The bank sent him a letter the other day suggesting that he had a problem. He was a bad risk. He was simply amazed. They told him that they were going to change his monthly service charge and his current interest rates, which were prime plus one and a half per cent, to prime plus four per cent. He could not figure out why.

Then he checked with some people in the banks who are little higher up and learned they have changed their policies now. We have been told that businesses have now been put into three categories: class A, class B and class C.

I do not have too much time, but class C includes pretty well 90 per cent of the businesses that give the banks less than $300,000 in service charges, interest carrying charges, fees and other extras. If those businesses give the banks less than $300,000 a year and they are in class C they have to pay prime plus four per cent.

I can understand now what has happened. We would never get anybody to admit this in the banking establishment but these are the changes they have made. We have no choice in this House but to either enact legislation to make these banks allow businesses to create wealth in this country or else we will all be looking

for a place to hang our hat next election because this country cannot survive under that kind of situation.

In my short time I hope I have outlined to the minister what is really going on in northern Ontario. We had better do something about it.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I will be brief. The hon. gentleman talked about some 14,000 business bankruptcies in Canada. I think he would also be interested to know that just in Los Angeles county in the United States last year there were some 14,000 business bankruptcies.

While the hon. member suggests that only in Canada are we experiencing business bankruptcies, it is also true south of the border.

It is a very simple question. I listened very carefully to the hon. member's comments. It seems to me now that the Liberal policy is the nationalization of the Canadian banking system.

• (1615)

I just want to ask the hon. member if he could please clarify if it is the policy of the Liberal Party to nationalize the Canadian banking system?

Mr. Nault: I am sorry, Mr. Speaker, but I cannot help but laugh at the member opposite because he has basically trivialized people's lives.

An hon. member: He is probably another Kim Campbell puppy dog.

Mr. Nault: I cannot understand this. We have record bankruptcies in this country and tremendous problems. This is a very serious debate in the highest institution of the land and the member stands up and asks me a silly question as to whether I would be as dumb as the NDP and nationalize the banks.

I am not talking about that at all. What I am talking about is the fact that the banking establishments in this country can loan the Reichmanns billions of dollars without checking their credit rating. Look at the O&Y fiasco before our eyes. However, these institutions will not even give somebody in my riding a $10,000 loan even if he has the best credit rating, owns his own home and is prepared to put that up as collateral and owns the property that the business is being run on. Now he asks me a silly question about whether I want to have the banks controlled by the government.

I will tell him what I want. I have checked this out. There is absolutely no regulation that prevents a particular region in this country from setting up a regional bank. It is perfectly within the regulations and the act as it applies today. What I have been trying to find out is whether I could be proactive enough to convince the Ontario government to change the act as it relates to the credit unions because the Ontario government controls that particular act. If I cannot do I want to find out if there would be another mechanism in order for small businesses to get some loans.

Does the member opposite not think that a regional bank can be created under schedule A? He should take a look at the banking act to see that under schedule A one has to have so many people involved in creating this bank who are investors. This is a private enterprise system. It would have its own board from northern Ontario so I do not have to have somebody from Toronto tell me that Kenora—Rainy River is a depressed area. I want to put it back into our hands as northerners. We know best how to run northern Ontario and we will create the wealth for which we have been waiting a long time.

I want to tell the member for Cambridge how long northern Ontario has waited for the rest of Ontario to take it seriously. We have waited a long time. The Minister of State for Small Businesses of course gives us this regional development program called FEDNOR.

Mr. Sobeski: Are you going to do away with FEDNOR?

Mr. Nault: Well, Pat, just relax. I will tell the member exactly what I think of FEDNOR if he does not get his shorts in a knot. Just relax. The fact remains that FEDNOR has not created the diversification of the north that it was intended to do.

The real problem in northern Ontario is that the banking establishment has left us completely out in the cold. FEDNOR can fool around on the fringes all it likes. We appreciate the hand-out. It is a very nice thing to get a little hand-out, but Canadians and northerners are very tired of being the poor cousins of southern Ontario. We want some control over our own destiny and if the banking establishment in Toronto does not want to

give it to us then we will create it ourselves by creating our own banking institutions in northern Ontario.

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like the hon. member who has just spoken to stay for a minute so I can respond to a couple of his comments and also to those of his colleague. I respect both of them very much and they are interested in these subjects so I am going to try to respond to what they have said in the last 10 or 15 minutes because they are asking serious questions.

I will address northern Ontario first because as the minister responsible for FEDNOR and as a minister for small business I think one of the real pleasures of that job was to be in charge of FEDNOR and to see that $60 million program in the last five years go into northern Ontario and create thousands of jobs in over 105 different communities.

• (1620)

The beauty of this program is that it supplements bank lending and private financing. I am surprised to hear the hon. member speak disparagingly of it. It usually levers the banks to do things they would not do.

I think he makes a good point. Northern Ontario has always had difficulty with getting chartered banks to pay attention and to give small businesses access to credit. That has been an historic problem for about 100 years. It is less of a problem now because of FEDNOR. In 400 different cases, it has levered bank lending that would never be there if FEDNOR was not there.

I ask the member to not say he does not want FEDNOR because that would have shut down those 400 things from happening and 105 different communities have benefited from the program.

An hon. member: He did not say that.

Mr. Hockin: I want to speak to my friend's more telling point which is that banks generally are not lending to small and medium sized enterprises. I want to thank his party and I want to thank the NDP which helped too. There was tremendous work by caucus members on our side who helped us get the Small Businesses Loans Act through the House of Commons two weeks ago. On Thursday it will have third reading in the Senate and will receive royal assent. The hon. member wants us to advertise this program before it is passed.

An hon. member: You have done that for nine years.

Mr. Hockin: The hon. member says that we have done it for nine years. He wants us to advertise the program with all the details, all the regulations and all the amendments even before it has passed the Senate. We cannot do that.

I want to tell my hon. friends, the members for Kenora—Rainy River and Broadview—Greenwood, that I respect their impatience about publicizing this. I want their ideas on how to do it.

Here is what we are going to do as soon as the bill passes on Thursday because I think everyone is interested in what we are going to do. We are going to put together a massive advertising campaign with the banks, and independent of the banks, right across Canada.

The second thing we are going to do is to make sure within the next month that all the lending officers in every bank branch—and we want the caisses de dépôt and the credit unions as well—are given a course on what the new SBLA is and what it amounts to so that they can be *au courant*.

I quite agree with the member for Kenora—Rainy River when he says that if one goes into a bank today in Kenora and ask about the SBLA then they are thinking of the old SBLA and not the new one.

An hon. member: They do not know about it at all.

Mr. Hockin: That is probably true too because they did not like the old one. It did not give them what they wanted and it was a program that the Liberals had put in place from 1980 to 1984 and that we changed in certain ways. Both what we did and what they did was not enough to lever more than $400 million worth of lending last year.

We are now told by the banks that with these changes that we have made to the SBLA—my hon. friend supports these changes—we are going to have over $1 billion worth of business in the next year alone.

How are they going to do that if they do not promote it? How are they going to do it if they do not advertise it? How are they going to do it without training? This is

what the program will be. I look forward to having help from members of Parliament to help us advertise this.

I think everybody in the House is interested in this subject. They can do a lot for their constituents. It might help them all get re-elected if they tell all the small businesses on Main Street in their riding about the SBLA.

What is new about the SBLA, this innocuous sounding little bill, the Small Businesses Loans Act? Everybody goes to sleep when we say the words. Let me say, that it is the most exciting piece of legislation to pass this House in this session of Parliament. I think we provisioned $40 million for loan losses under this program and we are going to lever $1 billion worth of activity.

By the way, in contrast to the NDP government in Ontario we are spending $1 billion directly to create jobs. It is creating 8,000 jobs in one case and 800 in another. This is much smarter spending. By using a loan guarantee scheme of $40 million one can get the banks to put $1 billion up instead of us. That is what SBLA is.

Why are the banks interested this time around? I want my friend from Kenora—Rainy River to listen carefully to why it is different. The guarantee has been raised from 85 per cent to 90 per cent. If there is a loss under this loan the banks pick up 10 per cent of the loss and the federal government picks up 90 per cent of the loss. This is a very big enticement.

Second, we have increased their commission. They had a 1 per cent commission under the old bill. This is a problem. They had to do a lot of paper work. We have increased the commission to one and three-quarters per cent on the understanding that they market the devil out of this thing, promote it and train for it. This was a very good point by my hon. friend, the member for Broadview—Greenwood. That is where the commission is.

We have done those two things for financial institutions. That means they are going to put this Small Businesses Loans Act in the window and promote it. If they do not we should make sure they hear from us. That is what we did for the banks, but what did we do for the small business people?

• (1625)

First, we got interest rates down to the lowest level they have been in 35 years. The other thing we have done for them under this act is we have said: "Look, no more". If they get a Small Businesses Loans Act where the federal government is guaranteeing most of it the banks would still ask people for their house, car and cottage and all that personal security and collateral to cover their 10 per cent exposure or 15 per cent exposure. We are saying in this bill that is unacceptable and the financial institutions cannot do it.

All they can ask to cover their 10 per cent exposure is for their signatures giving their personal security for 25 per cent of the loan. That is all they can ask for that. They cannot register any assets against it or anything like that. It is simply their personal security with their signatures based on their cash flow or salary. They cannot register any title against it.

What does this mean? It is very significant. This means that if they do not ask for their house, car and all their other belongings on top of the loan guarantee their collateral can be used to finance working capital. It could be used to finance accounts receivable, inventory and work in progress. This has always been the problem. They say they can never get a loan for working capital because their collateral was all tied up when they bought their truck or factory.

This particular act will be very effective in levering all sorts of economic activity that would never happen before. I cannot be too enthusiastic about it. I cannot agree more with my hon. friends that we should really market it, really promote it. I want to stand in the House and be criticized any day after next Thursday if this is not happening, but please do not ask us to advertise it and market it before it is passed because the regulations might change, the amendments might change it. On Thursday we will know and then off we go to the races. Maybe we should pass a bill through the House giving us $5 million to sell this because it is something we really should do.

We are talking to the opposition motion about the economy. The reason small business is important is that 80 per cent of all new jobs created in Canada in the last 10 years have been created by companies with 50 employees or less.

Nobody knows this. People think jobs are created by great big auto companies or great big hospitals or great big something else. In fact that is not where jobs are being created any more. I was in Windsor last Monday when there was a $900 million announcement by Chrysler and not one new job was created. It is to maintain the work force of 4,200 on this van plant with that investment, but even Chrysler with a huge investment of $900 million is not creating any new jobs. It is just holding its own.

Where are the new jobs being created? They are being created by small and medium sized enterprises. Canada is a much more entrepreneurial country in 1993 than it was in 1973. I remember the first week I was elected in 1984. There was a great line-up of people who wanted things from their MP: they wanted passports, they wanted to get a relative in or whatever. I had 13 businessmen lined up waiting for some grant or subsidy from the government. I was appalled. Even our entrepreneurs were not entrepreneurial in 1984. This country was becoming sick with its dependence on the state. Even entrepreneurs would not do something if the federal government did not give them a hand.

We still have regional programs for northern Ontario so there are still some small handouts, but generally we have downsized those programs and we are moving more smartly with this loan guarantee scheme through the Small Businesses Loans Act to make sure economic activity takes place.

There is something else about who these small business people are. Who are they anyway? I want to change the image of who they are. Fifty-two per cent of all new small businesses created since 1986 were created by females. I think 26 per cent in the last 10 years were created by new Canadians, first generation Canadians who started small businesses. The participation rate of women was very low in the sixties. Now it is 80 per cent and they are owning and operate businesses. It is a new phenomenon and new Canadians is a new phenomenon. The Vietnamese boat people all have jobs. They have small businesses. They are going gangbusters. It is the same with Koreans. It is the same with all sorts of new Canadians. This is a new reality that is giving power to our economy.

People say that this is fine, that we will have a whole lot of mini businesses but nobody can export or compete internationally if we just have small businesses. That is wrong. *Washington Week* said that is wrong. I opened 19 different companies this fall in southern Ontario that were expanding. They all had 100 employees or less and they all had three things in common.

• (1630)

Mr. Nault: How many did you close, Tom?

Mr. Hockin: The member wants to hear that these things are happening. We do have net growth in the economy.

They had three things in common. First, they were exporting 80 per cent of what they were producing. Second, they had some new technology, a new piece of machinery that caught them up with everybody else or put them a little ahead. The third characteristic, which is kind of sad, was that they did not want anybody to know that they were doing well. They did not want any publicity.

I heard the other day that 80 per cent of all new jobs in Canada are never advertised. People do not want to advertise they are expanding. I asked to bring the television cameras and the media with me to cut the ribbon and I was told they just wanted me and no publicity. They say this because there is nothing in it for them to get a lot of publicity.

The point is good things are happening. It is hard to get that message out. It is small and medium sized enterprise that is growing and doing well.

There is something more to this motion than simply small business. It is the over-all climate that has been put in place for economic growth in Canada. I do not think the next election—I have some advice to give my opposition friends—will be about framework policies, trade agreements and tax reform. They were for the elections of 1984 and 1988. The next election is going to be community by community, town by town, main street by main street and about how job creation is being stimulated. That is really what the election is going to be about. We are not going to be talking about these great big issues any more.

Those frameworks are in place so it is going to be what will happen in the detailed way. In the detailed way community by community, street by street, company by company, it is our view in the federal government, the Conservative Party, we should not do it through excess subsidies. We should try to stimulate growth in more

intelligent ways. Probably the best example is the Small Businesses Loans Act which will lever tremendous activity with very little federal government resources, just a lot of intelligence and good marketing.

Let me conclude with this point. In one quarter of 1992 the real GDP in Canada grew 1.4 per cent. It was the sixth consecutive quarter of growth and the strongest since the second quarter of 1991. At 2.1 per cent inflation remains subdued. In fact our inflation performance was the best among the G-7. Exports have grown by 14 per cent since June 1991. Corporate pre-tax profits are rebounding from their deepest slump in 60 years and are up 30 per cent from their 1991 levels. Business bankruptcies are down, not up, 3 per cent from the levels a year ago. Cross-border shopping is down. All these changes augur well for a much stronger economy in the new term.

What this country needs, what this Parliament needs for the next six months is a celebration of this good news, these positive new forces. The economy is improving. It is the exact opposite of what the motion suggests.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to start by saying to the minister that we in the Liberal Party of Canada supported his efforts in amending the Small Businesses Loans Act so that the 960,000 people who really drive this economy could get that support. We are happy to see him stand in the House today to commit that after Thursday the bank managers, the 7,500-odd loan officers, credit unions and small businesses of this country from coast to coast to coast will know the act is in place.

It has been a tradition in the House and in government for the last 15 years that after second reading things are promoted in newspapers and on television and radio. To use the Senate as the reason for not communicating the Small Businesses Loans Act is not a good argument. At any rate I want to go on to something else.

• (1635)

The minister talked about entrepreneurial spirit in this country. I think the entrepreneurial spirit is fantastic. I support him in that regard. He also talked about the fact that we are not giving out as many grants today as we did a few years ago. I think he forgot an area where we are giving out billions of dollars in grants.

Because the government has not addressed the tax preferences that have built up in the tax act, not just in the minister's regime but in previous Liberal regimes, it has not really addressed the issue of tax grants to major corporations. The minister knows as well as I do that there are close to $40 billion or $50 billion worth of tax expenditures or tax grants. Many of them have not had accountability as to whether or not they are meeting their public policy objective, namely job creation or keeping certain sectors vibrant.

I would like to hear the minister say in the House today that it might be a good time to review tax grants that have been given through the tax act mostly to foreign multinationals.

Mr. Hockin: This is always a murky area where allegations fly around. There is always a bit of truth to them and there is a lot of untruth to them.

On the hon. member's question, no government has spent more time or effort pruning the tax system of loopholes and boondoggles for business than this government. They have just about all been removed.

When we took over we had the scientific and research tax credit which was a terrible leakage. It was brought in by either the Turner government or the Trudeau government before it. Billions of dollars was going down the drain. We closed that. We have worked at closing a whole host of other loopholes. We continue to do so. As a matter of fact we have to because we need the revenues.

What we have not done is introduce a minimum corporate tax as has been suggested by a lot of people because frankly it would just hurt small business. People say they want to make sure that every corporation pays tax. It turns out that small businesses with loan loss carry-forwards from before that finally make a profit can apply their loan losses of previous years against the year's profit. We believe in that. We do not believe in taxing it back.

If they want to take big business and make an exception for it, that is an argument I would like to hear the House debate. We have to remember that small business is allowed two, three or four tax expenditures I believe in. The first one is loan loss carry-forwards. The second is that if a business is part of a grouping of companies it does not tax twice; it taxes once. If it is sending profits or

dividends to another member of the corporate family then it is taxed by that other member rather than taxing it and the other member. That is the second source of tax expenditure. I do not think any country in the world would want to double tax, to have a double corporate tax, for small and medium sized enterprises.

What would be the other big exemption? Financial institutions, the banks, insurance companies and trust companies somehow have been escaping tax because they can make loan loss provisions that are too generous or have various schemes. We have changed that. We are the first government that has actually made sure financial institutions pay their fair share of tax.

I was told the other day by a chairman of one of the biggest life insurance companies in Canada that he pays eight different types of taxes. There are three or four different types of federal taxes that he pays. That is what this government did. We now have a corporate tax structure that has been pruned of most of the loopholes that were not fair. We have left a system that will stimulate enterprise by especially exempting small business from a whole host of taxes.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I appreciated listening to the minister's comments a short while ago, particularly as they related to FEDNOR in northern Ontario. By and large the FEDNOR board has proven itself very knowledgeable about the particular industry from a regional perspective. Although we have some dispute in some of the areas of loans, by and large it is a very good program.

• (1640)

I was interested in what the minister was talking about in the small business venture. The minister has been here for eight or nine years, I have been here for only four years and a few months. If there is one thing in the thrust that this House is showing with respect to how we are going to get this economy going, it is going to come down on the back of the small business person within this country, not only in northern Ontario but throughout Canada. On that area we are *ad idem* with respect to how this Parliament should really operate on an ongoing basis.

I was particularly interested in his comments on Windsor and the announcement made this past week. I know the minister is from London. Windsor is about 100 kilometres up the road. Having gone to school in Windsor at Assumption College, the university and the law school and so on one becomes very close to the city of Windsor and has many friends there.

I would like the minister to comment on the $900 million that was announced by Chrysler with respect to versatility on the van production. The van has proven to be a magnificent vehicle for all of Canada and the United States in production.

Chrysler will be more versatile in its production methods to compete with some of the competition presently on the road. Even though it has not created any new jobs I would be interested in the minister's comments. If we do not have them I would be prepared in the future to listen to him through his department as to how it secures and builds a confidence within Windsor and other communities.

The Acting Speaker (Mr. DeBlois): Order please. Time is running out and I must give the floor to the hon. minister.

Mr. Comuzzi: I will put my question and then I will sit down. I would like to hear about the confidence it builds and the security that it builds in those people who are employed and what effect that will have on the small business community in Windsor.

Mr. Hockin: Mr. Speaker, I want to thank my hon. friend for asking that question.

It is important we recognize that the investment is very important and positive and will create confidence. I was making the point that so many big business investments just maintain jobs but they also maintain confidence and I think that is very important.

I have been told this investment will entice suppliers to make long-term commitments. These are suppliers next door, suppliers in Canada, suppliers in southern Ontario, Essex county, Kent county, Middlesex county, Elgin county and maybe stretching all the way up to Toronto. They will be enticed to make investments and to deepen their intentions to produce in Canada rather than Mexico or the United States.

There were lots of indications of suppliers being around who are going to make reinvestments and grow as a result of this investment. Therefore they can bid for work in the United States because their whole operations will have risen up to the kind of performance level where they can export at lower prices.

I think the hon. member has suggested an important point. A large investment such as Chrysler does give confidence to small and medium sized suppliers. It makes them more competitive. This means jobs are created because they can export and so on. That is one of the good results from that announcement.

I also have to tell the hon. member that Windsor is a hard-working town. Ever since I was a kid, people of this town have worked hard. Windsor has always been an up and down kind of economy. It is a boom and bust economy that rotates around the automotive part of the economy. This will help give them confidence.

I actually salute the Chrysler people who won the Canada awards of business excellence in 1991 for quality. This great big banner is hanging outside the front door. They are very proud of it. They are just as proud of it as a small little company that wins that award. They are an example to the rest of Canada.

* * *

GOVERNMENT EXPENDITURES RESTRAINT ACT, 1993 NO. 2

NOTICE OF ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-113

Hon. Tom Hockin (Minister for Science and Minister of State (Small Businesses and Tourism)): On a point of order, Mr. Speaker. An agreement could not be reached under the provisions of Standing Order 78(1) or (2), with respect to report stage and third reading of Bill C-113, an act to provide for government expenditure restraint.

Under the provisions of Standing Order 78(3), I give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at the said stages.

• (1645)

SUPPLY

ALLOTTED DAY, S. O. 81—THE ECONOMY

The House resumed consideration of the motion of Mr. Bevilacqua.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, first of all I want to congratulate the minister for his speech. I think he was very sincere in what he said and I encourage him to make an important announcement tomorrow. Certainly he has my support.

Having said that though, he talked about the celebration the country should embark upon. I was just wondering what exactly the details of that celebration would be when I look at the state of the economy as of March 1993. I see the unemployment rate is still above 11 per cent. I see the welfare rolls are at 3.8 million. I see the number of people living in poverty is at 4.2 million. Not to worry, because I understand one of the government members has suggested we just move the poverty line higher to make it harder to qualify as that would make fewer people below the poverty level. Bankruptcies were at 5,401 in January. The good news is they are starting to drop. They were 18 per cent below the level of a year ago but last year, with 76,139, was still the highest in Canadian history.

Economic growth was 0.9 per cent in 1992, a bit of good news: inflation was 2.0 per cent in January. But we have suggested all along that the government wrestled inflation to the ground and wrestled the entire economy to the ground as well.

Before we get into fits of euphoria, as the minister has suggested perhaps we should do, I would ask him to take a look at the real statistics. Take a look at the real world in Canada. I do not think the euphoria will have spread to ordinary Canadians.

Coming from Ontario, these are indeed difficult times. The Ontario New Democrats are also taking the brunt of criticism from just about everybody. I want to say that some of the statistics are never brought forward. I want to take the opportunity of putting them on the record. The federal government in some sense of misguided co-operation has continually short-changed the province of Ontario. The numbers and statistics bear out this fact.

The province of Ontario contributes 43 per cent of national taxes but gets 30 per cent in return. Ottawa pays 50 per cent of social assistance in other provinces but only 29 per cent in Ontario, even though the province has more than one million people on welfare. The federal contribution to health and post-secondary education is down to 31 per cent, compared to 52 per cent three years ago. Ontario has also been hit hardest by the economic policies of the federal government. It has lost 80 per cent of the manufacturing jobs. They have disappeared in this recession.

The motion before us suggests that we should condemn the government. However, I suspect that Canadians are tired of politicians and political parties on a continual bent to condemn one another for their actions or for their lack of activity. I suggest it certainly behoves us rather than condemning and severely criticizing one another to get together and attempt to work together to get this country out of this severe recession, if not depression, we are presently in.

I appreciate that this may be perceived as a scatter-gun approach, but I wanted to hit upon just a few government policies that have not been highlighted for quite a while.

• (1650)

I want to talk about the Hibernia project. We supported it but we believe it has been misguided in many of its guidelines that the federal government forged for the Canadian people. In this $5.2 billion megaproject for Canada, Canadian content has not been guaranteed. It is probably one of the few countries in the world that could forge such a megaproject and not have Canadian content assured.

About one and a half years ago Algoma Steel in my riding said: "We are shut out of the steel contract in Hibernia. A Korean firm is going to get it. There is no doubt in our minds that they dumped the product on the Canadian scene".

Algoma Steel is in difficulty. I went out to St. John's and I received a good audience and a good explanation. I was told at that time: "We are still on target. We are going to have 65 per cent to 70 per cent Canadian content". The then minister told me not to worry, Canadian content was going to be on stream.

As it turns out, they took a review of Canadian content in the Hibernia project. However six months later various Canadian manufacturers and specifically MIL Davie shipbuilding of Quebec said that not only could they not get involved but they could not even bid on the contracts. They were being shut out completely from the market.

The Algoma Steel situation was never resolved to our liking. We could have brought charges of dumping, but that is costly and we do not have the time nor the moneys to proceed.

As we proceeded, we found the target for Canadian content was just that. It was not written in the contract. As time progressed, the amount of Canadian content decreased from that 65 per cent to 75 per cent down to 55 per cent to 60 per cent.

We found out just a couple of weeks ago that the minister admitted to being foiled over Hibernia contracts. He admitted that he could not get the major oil consortiums to allow Canadian bidding on the Hibernia project. Here is a Canadian megaproject and we could not negotiate appropriate Canadian content. There is one misguided policy.

The minister who spoke just prior talked about the next election. He said that it will not be about major frameworks. He said that it is not going to be about free trade agreements. It is not going to be about NAFTA because the frameworks are in place. The election is going to be fought community by community, neighbourhood by neighbourhood, household by household. I happen to agree with that latter comment.

However, to suggest that the frameworks will be insignificant is not acceptable. If the framework above is faulty, one must accept the fact that the structure below that framework is also faulty and will not survive.

Some of the members I have listened to this afternoon from the government side made much ado about trade agreements, the successes of free trade and the prospective success of NAFTA.

I suspect these people have not left the city of Ottawa. If they have been to Mexico, they have spent too much time in the resorts. They have not seen the reality of the Maquiladora in Mexico. They have not seen the exploitation of Mexican labourers.

• (1655)

The member for South Shore talked about the productivity of Canadians. We do not dispute that, but let us not underestimate the productivity of Mexicans. Their productivity is increasing and they are becoming more and more competitive with Canadians.

To say that they are malcontents and less than ambitious is not true. They are quite productive and quite efficient and it is at our peril to attempt to compete with them on that playing field when their hourly wages in the Maquiladora could be 80 cents per hour. It is out and out worker exploitation.

For those who suggest that this will open up the Mexican market of 80 million people I ask them what they anticipate the Mexican people will buy from Canada at those wages. I would encourage members on the government side to go down there and deal with the reality of the Mexican Maquiladora area.

I would also tell them to not accept the fact that the framework of NAFTA is going forward with as much haste and as much acceptance in Washington as it is in Ottawa, by the government side. The politicians, labour groups, and environmental groups in Washington are not at all sold on the fact that this NAFTA agreement will go forward. If the vote were held today NAFTA would be deafeated.

Unfortunately this government says that really does not matter and we have to go forward with as much haste as we possibly can. It has changed its attitude toward the parallel accords. At first they were of no concern to us, they were between Mexico and the United States. Then we had to go to the table, we still did not have a strategy in place but we said we had best get to that table.

The Clinton administration has made it abundantly clear. If the parallel accords have no teeth it will not sign the accord and will not support the NAFTA agreement that is in place. The members of the administration are going group by group down to Mexico to see what they are dealing with. That is all I am asking.

I would ask the government members to get down there and see the reality. We met with some of the promoters on the American side in Washington last week. One of the pro-NAFTA people, a patriarch of the American Congress, talked derisively of labour standards. He said: "Parallel accords, whatever they mean; labour standards, whatever that is; environmental protection, whatever that means. You just cannot negotiate these kinds of things". That is pretty scary talk and a pretty scary attitude.

He also went on to say, and I agree with him on this statement: "If the parallel accords have any substantiveness to them then they will unravel the original agreement and that is impossible. We are not going to open that agreement". The Americans are in a conundrum right now. I am happy for that. I hope the conundrum continues.

I wish that this government would open its eyes to some of the perils of this agreement. It continually trots out very powerful statistics indicating that our exports into the American market have increased. We accept that. They increased before 1988 as well. The government does not trot out statistics which show that our exports to many other countries have declined. Those are the kinds of statistics that we suggest it is not bringing forward and which it definitely should bring forward.

• (1700)

Another issue, perhaps in isolation but once again it is one of those issues that is presently in committee and I hope it will see the light of day in the House very soon, is that of family trusts. It is part of the taxation system in this country that the fabulously wealthy have been able to protect their fortunes for a long period of time. It would appear, after 21 years of protection of the wealthiest people in this country, that new legislation will allow these people to set aside their hundreds of millions of dollars in these family trusts for another 20, 30 or 40 years.

These trusts have gone untaxed for 21 years. We do not know how many of them there are. There were 22,000 family trusts in 1972, the value of which we do not know. We do know that one of them was worth $70 million, and that amount went untaxed year after year.

The suggestion is that 21 years is not enough time for these people to get their income tax house in order, so give them more time. I asked average taxpayers how much time they have to get their tax house in order? They get 12 months to get it in order or else. The government says that it has to extend the rule to protect the family trusts a little bit longer, another 20, 30 or 40 years, because some of these people are going to have to see a lawyer and lawyers are costly. Shame.

The second reason is: What if they have to sell something? What if they have to sell one of their small companies? Would that not be a shame. The third reason, and the most cynical of all, is: What if they have a disabled child? They must have a future. We must protect them for the future because if they are disabled then they may not be able to provide for themselves.

I say that is cynical because if they are setting $70 million aside, as one example, surely they could do a little bit of planning with their finances to ensure that the child does okay when he or she becomes an adult. I think the government threw that disabled child example out there to make us feel bad. It is difficult to even mention this here in the House, but nevertheless that is how cynical one gets when presented with this kind of information. It is not acceptable, not in any way.

We have no idea, because of the lack of information available on these family trusts, how many are out there and how much money is involved in them, but we do know that the scandalous tax system continues. If the government has its way it will continue for another 20, 30 or 40 years. That is how cynical one can become.

Yet the government will talk about a UI cheat. He might be bilking the system for a couple of thousand dollars, but here is somebody with literally millions and multimillions of dollars and the government is saying: "That is okay, 21 years was not enough. We will give you a little more time to get your house in order".

It has been a bit of a shotgun approach but I wanted to touch on a few policies that irked me about the government. I do not think it is appropriate that we always condemn one another, but certainly I think the policies are misguided.

• (1705)

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I would like to ask a very specific question about the NAFTA and one of the reasons that the NAFTA is so important.

Canadian exports of auto parts to Mexico total about $100 million each year. Currently to get into Mexico they must incur a 10 per cent tariff, so a $100 part plus a 10 per cent tariff is sold in Mexico for $110. Parts producers in the United States also face the same 10 per cent tariff.

If the Government of Canada followed the member's policy and tore up the North American free trade agreement but the United States and Mexico, who originally wanted the agreement, did work out an agreement then after the phase-out period the Canadian auto part producer would be selling his part in Mexico for $110 but the American auto part producer could sell his part down there for $100. Who does the member think the Mexicans are going to buy from? Where does he think investment will go? It will go to the United States. What will happen to the auto parts industry in Canada because the NDP does not want Canadian auto part producers to be on the same level playing field as American part producers? I want to tell the member that when the committee was holding hearings labour unions and everyone else had difficulty in answering that question.

Can the member tell me how by tearing up the NAFTA, by excluding Canada, that will protect those people in his riding, my riding, and Windsor who depend on exports of the auto parts industry.

Mr. Butland: Mr. Speaker, the member has lost the big picture. The problem is that he has isolated something that is a little more complex than he lets on.

What he has not pointed out is that presently General Motors has more employees in Mexico than it does in Canada. This whole concept is the global trading block that will extend beyond Mexico to Argentina and El Salvador. I have seen ads that say: "Come on down to El Salvador and have Rosie sew your garments for you. She makes 33 cents an hour, and not only that but she has a nice personality too. We also have good roads down here". The ads extol the virtues of El Salvador.

He is missing the picture. The only thing these multinationals have an interest in is relocating. They will relocate in the United States in the right-to-work states or further south in Mexico, and the big three have made no bones about it. They can hardly wait until they relocate. They have said that the only people stopping them from relocating are those bloody unions that cause too much controversy and bad press.

If I cannot answer the member's question I apologize. I have no great expertise, but please do not lose sight of the much bigger picture. I think the member is putting the blinders on and allowing that to happen.

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, I listened to the last response with a great deal of interest because of the position I have in my community. We have a lot of automobile parts producers. They are most interested in the NAFTA and are in full support of what it does. As my friend from Cambridge pointed out, tariff barriers coming down on automobile parts going into Mexico will be a great benefit to my part of the country.

In addition, in the NAFTA North American content for automobiles is raised to 62.5 per cent. For someone from an area such as mine in which there are the big three auto producers, specifically General Motors, this is important. They have been asking for that increased content and now that is going to be done in the NAFTA.

• (1710)

The current FTA only provides for 50 per cent content. This is an advantage to our area and something that we look forward to. The labour unions were mentioned. This is something that they had lobbied for. They are now not saying anything about because it because they have this part of the renegotiation and they have this increased North American content that is going to help the automobile parts producers in my area. In that way, for my particular area, NAFTA will be a benefit.

I listened to my friend and his response to the question that was asked by the member for Cambridge and I say that it is something quite important to our part of the country which has been hard hit.

I would be interested in my friend's response as to whether we going to build the tariff barriers back up around our country. We know that nearly 30 per cent of our country's gross domestic product comes from selling products to other countries.

What are we going to do if we tear up the FTA and NAFTA? Are we going to build up tariff barriers around this country of 27 million people whose wealth and standard of living depends on trading with the rest of the world. They are not going to say: "Oh, that is great. We are just going to be happy about that."

Another thing perhaps my friend could comment on is the fact that the auto pact is now part of the FTA. Ripping up the FTA could endanger the Auto Pact. Under the Auto Pact we are a net beneficiary. We consume 9 per cent of the cars in North America and we produce 17 per cent of the cars that are consumed in North America. The Auto Pact is very important to us and anything that would endanger that would cause us and this entire country a great deal of difficulty.

Mr. Butland: Mr. Speaker, I do not want to get into a debate with a member who represents his constituency. Who knows better than he about his constituency? I will accept some of his, I hope, very valid arguments. I am surprised. I want to check some of the statements he has made that suddenly all of the opposition in the area has gone silent. I find it hard to believe that they have now gone into the woodwork. I am not going to venture into a specific debate as I suspect he would not debate me on steel, but I do not know that for sure.

Sectoral agreements in trade are good and we are saying yes to the auto pact. The Canadian steel producers of this country are saying that sectoral trade agreements are what this should be all about. Probably, on balance, we know that there are going to be some net gainers and some net losers. We will proffer the appropriate sectors and the numbers of losers under free trade and NAFTA.

I wanted to ask this question again. Who does the member think will be buying these parts from Canadian producers? Will they be shipped from his area to Mexico to be purchased by the Mexicans? I somehow doubt it.

We talked about barriers. Are we going to build the barriers up again and become protectionist? Free trade is fine. I think anybody who argues against true free trade is misguided. However, what is the problem with striking a social contract among the three countries? Is there a problem with that? They have done it with some success in the European Common Market. However, in the North American trade agreements there is no mention of it. In fact, heaven forbid if one talks about environmental or labour standards. What is that? What a nebulous, airy-fairy obscure thought.

We say: "No, not at all. Let us raise some of the standards of these Mexicans. What is the problem?" Do we have to lower our standards? Absolutely not. I agree with the member and that is probably the only thing we agree on.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance): Mr. Speaker, my hon. friend's motion is the kind of blanket statement that opposition members find so easy to make.

• (1715)

With all due respect, I would suggest that hon. members of the opposition take the time to learn about the very real efforts this government is making with regard to the Canadian economy.

The hon. member's motion gives the completely false impression that this government has been sitting idly by. Canadians know that is not the case. We have been making a genuine, concerted effort to deal with the economy and to give business an incentive to invest in this great nation.

This government has many programs that are beginning to show good results. It does not happen overnight. There is no instant solution but we are making progress.

Because of the Free Trade Agreement, along with other trade initiatives, Canada's exports are up 11 per cent. That does not represent stifled economic growth to me. This government understands economic reality, and we have clearly demonstrated fiscal and economic leadership.

During the last two decades inflation has been the most intractable problem for many nations. However, in Canada our government has conquered this killer of jobs and economic growth. Under our government inflation is now around an acceptable two per cent. The approach we have taken is a no-nonsense approach. It is an approach that avoided quick fixes, and instituted real change so this magnificent country can enjoy long-term gain.

Tax reform has enabled Canadian business to compete around the world without being saddled by a manufacturers' sales tax. The result is that other nations see Canada with a disciplined government that puts good fiscal management ahead of soft policies designed to win popularity contests. We have the respect of those other nations and the confidence of foreign investors.

Over the past few years this government has been building a solid framework that will enable business and labour to successfully compete in the new, technology-driven, global economy. For example, let us just consider some recent initiatives the government has undertaken to help small businesses. I trust that my hon. friend realizes that small business is the real driving force behind our economy.

In the economic statement delivered by the Minister of Finance in December the small business loan limit was increased to $250,000. Additional forms of working capital are also becoming available. Rules for investing in retirement savings plans were made more flexible so Canadians will have more incentive to invest in Canadian companies.

We did not increase income tax or UI premiums. We did not increase the small business tax rate and there is no payroll tax for training. We made changes in the unemployment insurance program, changes that were requested by both business and labour. Besides freezing UI premiums, we are providing employers with a UI premium holiday for new companies and new employees in existing companies.

Opposition motions condemning this government imply that we should pretend there is no massive debt and just spend, spend, spend, that we should live beyond our means and place a totally irresponsible financial burden on our children and grandchildren. This government will never take that path. The people of Canada have entrusted us with a solemn responsibility to do what is best for our economic health, and we have every intention of living up to that responsibility.

This government has addressed issues that previous governments shied away from and placed them at the top of our agenda. Not because we enjoyed doing so but because we knew it was the right thing to do. This government has had the courage to acknowledge that we do not have all the answers. We have entered into partnerships with interested parties in some sectors to ensure that we are on the right path for a full and healthy economic recovery.

We know that partnership with all stakeholders in the economy is the way to go. Last year the steering Group on Prosperity stated in its reports that, and I quote: "Our future prosperity depends on our ability and willingness to draw upon the creative talents of all Canadians. This means becoming an inclusive society, where everyone has a fair opportunity to participate fully and to contribute to the best of his or her ability".

• (1720)

This is much more than a visionary statement. It is a well thought out recognition that if Canadians pull together and believe in one another, we will continue to top United Nations' polls as the greatest country in the world.

The hon. member's motion reflects his concern about Canadian jobs. Perhaps he does not remember the dead-end, make-work projects of the 1970s which did not create jobs but instead increased our debt and ultimately cost us jobs. This government has not continued down that path when it comes to getting workers back to work. We want workers to be able to enjoy a comfortable life and contribute to the growing prosperity of Canada. To that end we have taken a long-term, constructive approach that will produce lasting results.

The Canadian Jobs Strategy created in 1985 emphasized the growing importance of developing workers' skills so they can actually use them in the work place. In the current fiscal year, the Canadian Jobs Strategy budget is a hefty $1.6 billion.

When the hon. member was writing his motion, did he remember the labour force development strategy that we introduced in 1989? It is a comprehensive strategy that forever abolished useless, dead-end, make-work projects and instead emphasized the importance of investing in the best resource this country has; its people.

That investment must train and upgrade workers' skills and, perhaps most important, it must develop a training culture so that Canadians realize school is not out just because they have left the classroom. Lifelong learning and acquiring higher level skills will be necessary throughout one's entire working life.

Did my hon. friend remember that this government fulfilled its promise to consult with Canadian stakeholders? To ensure that our labour force development strategy is kept on the right track, we brought together representatives of business and labour, educators, trainers, women, aboriginals, persons with disabilities and visible minorities. They are the creative and knowledgeable individuals who make up the Canadian Labour Force Development Board, a body formed in 1991 that has helped us enormously to understand the needs of the private sector and to create programs that will fulfil those needs.

Does the hon. member know that one of the first recommendations made by the Canadian Labour Force Development Board was to substantially increase the use of unemployment insurance for active programming. This idea came from people who work in the community and who fully understand that we must make the unemployed productive members of society again. The unemployed want jobs, not hand-outs.

Did we take that advice? We most certainly did. In 1992 we dedicated $1.95 billion to unemployment insurance developmental uses. That is, three times more than the 1990 funding for active programs and training for UI claimants. All told this year we are spending around $21 billion to help unemployed workers.

I trust that my hon. friend knows that Canada's unemployment insurance program is one of the most generous anywhere in the world. It is a significant burden for both workers and employers, and so, this investment must be made wisely and fairly to ensure our future prosperity.

The Canadian Labour Force Development Board has proven to be a positive force in bringing together the diverse economic interests of Canadians. Discussions are now taking place involving the Department of Employment and Immigration, provincial and territorial governments and private sector representatives to increase the number of provincial, territorial and local labour force development boards.

• (1725)

The people who live in a community are the best qualified to know the needs of that community. These local boards will have significant influence over a sub-

stantial amount of our expenditures on training and adjustments in their communities.

This government understands fully that community involvement is the key to a healthy, local economy. We showed that understanding when we brought in the Community Futures Program to help rural and remote cummunities facing severe labour market adjustments. Community Futures committees reflect the diversity of local interests. They create initiatives from the input of their community, initiatives that the government can then put into action.

Besides local committees', business development centres are another key component of Community Futures. The staff at business development centres have the expertise to counsel and give technical assistance to small business people and entrepreneurs.

Speaking of entrepreneurs, this government also has a Self-Employment Assistance Program that provides income support to UI claimants and persons eligible for social assistance. Rather than pay people to be unproductive, we are helping those with the skills and desire to become self-employed to get their businesses off the ground.

Our government is committed to saving jobs. Is the hon. member aware of other innovative programs like work sharing, which enables employers to avoid lay-offs during temporary slowdowns?

Our local human resource planning program helps employers develop a productive work force. As well, this government recongnizes that some Canadians are willing to move to find employment. With that in mind, we have a mobility assistance program to help individuals seek employment somewhere other than where they are currently living.

There is also the problem of long-term workers who suddenly find themselves unemployed due to industrial restructuring. The Department of Employment and Immigration will spend $300 million to help displaced workers once again become productive citizens.

In this current fiscal year, our $3.55 billion budget has enabled 850,000 Canadian workers to participate in the government's labour market programming administered efficiently and effectively by the Department of Employment and Immigration.

In the coming fiscal year, we are allocating approximately $3.8 billion for labour market programming. I think even the hon. member will agree that figure represents a significant increase over the $2.1 billion spent in the 1985-86 fiscal year. Of that $3.8 billion, $2.21 billion will provide active training and adjustment measures for UI claimants.

I trust that I have made it clear to my hon. friend that this government is taking all reasonable steps to ensure economic growth and to help workers train for jobs that will give them and Canada long-term prosperity.

Our programs are working. The unemployment rate fell to 10.8 per cent in February, the lowest it has been in the last year. Since August approximately 156,000 higher paying, full-time jobs have been created.

I say to the hon. member, and to all hon. members, this government welcomes constructive suggestions to keep the economy moving upwards at a steady, healthy growth. Let us pull together to help all Canadians fulfil their potential and ensure that Canada has a prosperous future.

Mr. Jean-Marc Robitaille (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I listened very closely to my colleague from Québec-Est, the parliamentary secretary, who described in detail the importance of the $3.5 billion in funds for training. I will also remind the House of the training measures which the opposition opposed in Bill C-21 and wants to oppose again in Bill C-113.

• (1730)

My colleague touched on a variety of subjects. One of those which has the greatest impact on our economy is the debt load. We remember very well that when the Leader of the Opposition was in power his government increased spending by 15 per cent a year on average. Our government has brought this rate of increase down to an average of 4 per cent. The Liberals let the deficit rise as a percentage of the gross domestic product from 0 to 8 per cent. We have managed to cut it almost in half, to 5.2 per cent.

I have a question for my colleague. We have seen the waffling of the Liberal Party, which for four and a half years has voted against every spending reduction measure here in this House, just as it opposed the GST. The Leader of the Liberal Party is now trying to take a position on the goods and services tax, saying that he will

remove it and replace it with another tax that will apply to food as well. That is really shameful! Then he changes his mind and says that he will not remove it but will hold consultations. He is really asking for a blank cheque. Finally, we will recall this great statement from the Leader of the Opposition, "You know, we must not be obsessed with the deficit; the Conservatives are becoming obsessed with deficit reduction".

So the question I have for my colleague from Québec–Est is this: How do his constituents see the importance of reducing the deficit and how do they react to those who claim that the deficit is not important and that we must not be obsessed with it? I know the people of Québec–Est very well since I was born in Quebec City and a large part of my family lives in Quebec City and in your riding, Mr. Speaker. I am convinced that these people are intelligent and very concerned about the future and economic prosperity. How do the people of Québec–Est react to careless statements about the importance of controlling public spending and lowering the deficit?

Mr. Tremblay (Québec–Est): Mr. Speaker, like me, you have noticed that it is easy to recognize a Quebecer, especially one from Quebec City. His constant smile clearly shows that my hon. colleague from Terrebonne is originally from our lovely region.

Remember the evening of September 4, 1984 when it was announced that the Conservative Party would form the next government with a majority. An eminent member of the opposition said: "Anyway, the coffers are empty". Despite that, I think that we have done things which are worth listening to and repeating again and again and we have been trying to do that for several years. My hon. colleague touched on the important point of labour force training.

When a company or a country is in difficulty, just saying "eliminate the deficit" will not make it go away overnight. It is a long battle and I can say we have been through it on the issue of training. Let me talk briefly about the Challenge Program.

This program was initiated by our government in 1985. Today it gives high school, college and university students an opportunity to have a summer job in keeping with their aspirations. It gives them practical experience to show a future employer when they graduate. When we visit some companies, we realize that these students are often hired outside the summer period, to replace someone on maternity leave or someone who has suddenly fallen ill or to work certain hours over the Christmas or Easter holidays. Today young graduates already have some practical experience.

This is what we are setting up for people who were not students when we took power. My hon. colleague from Terrebonne knows very well that we spare no effort to use all available funds for programs that will give Canada the highly skilled labour force needed for global and world trade.

• (1735)

Many countries now look up to us as an example and envy us. They are implementing initiatives that we began in 1984, but unfortunately they are doing it ten years later. If we follow these programs, we will have benefits and concrete results ten years before other countries. At this rate, Canada will long remain in the much desired position of being the No. 1 country in the world.

[*English*]

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I have listened with a great deal of interest to the comments of my friend from Quebec.

After nine years of Tory rule and after looking at the devastation on the economic development side, the unemployment situation, the youth unemployment, people who are going to food banks in places like Montreal and Quebec City, it just amazes me that a member can stand up and say it is the Liberals' fault.

They say they are sorry, they are doing their best but they have only been in power for nine years and are still trying to get it right. They are still trying to figure which programs are going to work as far as the federal government is concerned in Quebec. They are still trying to figure out which programs they are going to use to get people back to work in Ontario.

However, it is still the Liberals' fault. It has to be the Liberals' fault. They say people cannot trust the Liberals because it was all their fault for the last 10 years, 20 years and 30 years. I want to suggest to the last speaker and to the government that, Canadians are not buying that. What they want are concrete solutions.

I would like to ask my colleague from Québec-Est if he could tell me what the government has done to help the 1.5 million Canadians who are unemployed to get back to work.

I may be mistaken but in my mind one of the highest unemployment rates in the country is in Quebec. I would like the hon. member to tell me, besides his continual spin that it is the Liberals' fault, what he proposes to do about the situation in Quebec.

[*Translation*]

Mr. Tremblay (Québec-Est): Mr. Speaker, I just want to repeat what I said earlier, that when we took office, the coffers were empty. I was from an international accounting firm where I acted as a bankruptcy trustee for many companies. I would never have thought that we would have as big a job as we were left with in 1984, which involved turning around a whole country.

The initiatives that we have put forward, without any help from the opposition unfortunately, were difficult to implement. Today, after all these years of effort, we see some very concrete results. We have inflation and interest rates under control. We just learned, as I said in my speech, that unemployment has gone down nearly 1 per cent recently and is the lowest it has been in a year. I know full well that much remains to be done, but let us be optimistic. The hard work we have done and the unpopular measures we have taken during the past nine years are bearing fruit and this will be even more evident in the coming months.

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the motion before us condemns the government for its policies that have stifled economic growth, destroyed Canadian jobs and exacerbated the recession.

Each time we raise this question with the ministers of the government, as we did today when I asked the Prime Minister and the Acting Minister of Finance what they were going to do about the large numbers of unemployed in this country. I referred to Montreal where the official rate of unemployment is 14 per cent. However, if one looks at those who have dropped out of the labour force the actual figure is 27 per cent with 21 per cent of Montreal families living under the poverty line.

• (1740)

Each time that we ask the government to do something about this the answer we get is a comparison with the recession of 1981-82. What comfort does that give the 1.5 million Canadians who are unemployed? What comfort does that give Canadians whose children are unemployed? What comfort does that give Canadians whose husbands and wives are unemployed?

Would it have been appropriate for us in 1981-82 when we were asked about the recession at that time to simply compare it with the Great Depression of 1932-37? No. That would be completely ridiculous. As a matter of fact we tried to deal with the recession in 1981-82. We believed the government had a role. As a matter of fact the things we did finally brought us out of that recession in 1983-84.

However, we did not use the cheap put-down of simply comparing the recession of 1981-82 to the Great Depression of 1932-37 which was under Conservative government, which happened under the R.B. Bennett government. We did not do that.

It is equally ridiculous and gives no comfort to the 1.5 million Canadians, who are unemployed, that are officially unemployed, to get that kind of ridiculous answer from the government.

When we ask these kinds of questions the government says: "We have put forward solutions to the unemployment problem, but you voted against them in the House of Commons". Of course we voted against the free trade agreement. We tried to convince Canadians that it was wrong. The government was re-elected nevertheless and it rammed through the free trade agreement. Yes, we voted against it and time has shown that now this has cost Canadians jobs. It was not the solution to the problem of Canadian unemployment.

Yes, we voted against the goods and services tax. Expert after expert, even those who were in favour of the goods and services tax, said that even if it was the right thing to do in the long run, the government was introducing it at a time of recession and that would exacerbate the recession. However, the government went ahead anyway and yes, we voted against it.

We are going to vote against the $6 billion helicopter proposals. We will vote against the unemployment insurance changes which are reducing unemployment insur-

ance during a time of recession when people need those moneys.

What do we see with respect to the different organizations, the different think-tanks and economic organizations that are studying this matter? The report of the Organization for Economic Cooperation and Development warns there will be no break for the jobless in 1993. It says that even though there will be a pick-up in economic growth in this country it will not mean a pick-up in jobs.

Then we have Peter Hadekel, the financial columnist in the Montreal *Gazette*, who says: "Very soon the working world will be divided into two types of people. Before the end of the decade less than half the work force in the industrialized world will have full-time jobs. The rest will be part-timers, temporary workers or the unemployed".

What a sad picture for the future. How can young people start a family? How can they plan to have children and build a home when all they can look forward to are part-time minimum wage jobs, non-unionized jobs with no benefits, no pension, and very often no unemployment insurance? I know that many companies try to keep these part-time jobs under 15 hours a week so the workers will not even get unemployment insurance when they are laid off. Is that the future we can give Canadians? We are seriously asking the government to do something about it.

This government is still following the discredited policies of the Reagan and Thatcher regimes in the United States and Britain. Thank God, there has been a change in the United States. The people down there recognize the nonsense of that approach where everything was left to the free market system. Now there is a government down there that is bringing back a mixed economy approach. It is a government that believes that government has a role with the private sector in stimulating the economy and creating jobs and we believe in that same approach.

The government does have a role. We put forward a proposal whereby the federal government would participate with the municipalities and the provinces in a massive redevelopment of municipal infrastructure, roads, bridges and sewers, ports, airports, things that will stimulate the economy and provide a proper atmosphere for the private sector.

The government turns it down. It does not believe that it has a role to play. That is why it is at about 17 per cent, 18 per cent in the polls. This sort of shim-sham that is going on now, the leadership campaign, may redeem it for one month or for a couple of weeks, but the Canadian public will see that it is the same group of people with the same do nothing policies that are dooming this country and dooming our economy. It is not good enough.

The Acting Speaker (Mr. DeBlois): It being 5.45 o'clock p.m., it is my duty, pursuant to Standing Order 81(15), to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

[*Translation*]

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (C)

Hon. John C. Crosbie (for the President of the Treasury Board) moved:

> That the Supplementary Estimates (C) for the fiscal year ending March 31, 1993, laid upon the table Tuesday, March 9, 1993, be concurred in.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to.

Mr. Crosbie (for the President of the Treasury Board) moved that Bill C-119, an Act for granting to Her Majesty certain sums for the Public Service of Canada for the financial year ending March 31, 1993, be read the first time and printed.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 69(1) the motion is deemed adopted.

Bill read the first time.

Mr. Crosbie (for the President of the Treasury Board) moved that Bill C-119, an Act for granting to Her Majesty certain sums for the Public Service of Canada for the financial year ending March 31, 1993, be read the second time and referred to Committee of the Whole.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. DeBlois in the chair.

The Assistant Deputy Chairman: Shall clause 2 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 2 agreed to.

[*English*]

On Clause 3—

Mr. Dingwall: Mr. Chairman, my question is for the Minister of Fisheries and Oceans who is acting on behalf of the President of the Treasury Board. I am wondering whether the minister can assure the House this bill is in its usual form with no deviations in the normal contents of a supply bill.

Mr. Hockin: Mr. Chairman, the form of this bill is the same as that passed in previous years.

[*Translation*]

The Assistant Deputy Chairman: Shall clause 3 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 3 agreed to.

The Assistant Deputy Chairman: Shall clause 4 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 4 agreed to.

The Assistant Deputy Chairman: Shall clause 5 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 5 agreed to.

The Assistant Deputy Chairman: Shall clause 6 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 6 agreed to.

The Assistant Deputy Chairman: Shall clause 7 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 7 agreed to.

The Assistant Deputy Chairman: Shall the schedule carry?

Some hon. members: Agreed.

Some hon. members: On division.

Schedule agreed to.

The Assistant Deputy Chairman: Shall clause 1 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 1 agreed to.

The Assistant Deputy Chairman: Shall the preamble carry?

Some hon. members: Agreed.

Some hon. members: On division.

Preamble agreed to.

The Assistant Deputy Chairman: Shall the title carry?

Some hon. members: Agreed.

Some hon. members: On division.

Title agreed to.

Bill reported.

Mr. Crosbie (for the President of the Treasury Board) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to.

Mr. Crosbie (for the President of the Treasury Board) moved that the bill be read the third time and passed.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On divisiion.

Bill read the third time and passed.

* * *

INTERIM SUPPLY

Hon. John C. Crosbie (for the President of the Treasury Board) moved: That this House concur in Interim Supply as follows:

That this House do concur in Interim Supply as follows:

That a sum not exceeding $13,880,999,941.94 being composed of:

(1) three-twelfths ($9,564,918,577.25) of the total of the amounts of the items set forth in the Main Estimates for the fiscal year ending March 31, 1994, which were laid upon the Table Thursday, February 25, 1993, and except for those items below:

(2) eleven-twelfths of the total of the amounts of Transport Votes 15 and 45 (Schedule A) of the said Estimates, $5,185,583.33;

(3) nine-twelfths of the total of the amount of Treasury Board Vote 5 (Schedule B) of the said Estimates, $337,500,000.00;

(4) seven-twelfths of the total of the amount of Labour Vote 15 (Schedule C) of the said Estimates, $1,072,750.00;

(5) six-twelfths of the total of the amounts of Employment and Immigration Vote 5, and External Affairs Vote 15, and Indian Affairs and Northern Development Votes 10 and 45, and Industry, Science and Technology Vote 30, and Solicitor General Vote 5 (Schedule D) of the said Estimates, $650,959,100.00;

(6) five-twelfths of the total of the amounts of Fisheries and Oceans Vote 10, and Indian Affairs and Northern Development Votes 5, 15 and L25, and Public Works Vote 20, and Solicitor General Vote 40, and Transport Vote 1 (Schedule E) of the said Estimates, $1,669,800,500.01;

(7) four-twelfths of the total of the amounts of Communications Votes 30, 35, 50, 75 and 115, and Employment and Immigration Votes 10 and 25, and Environment Vote 1, and Indian Affairs and Northern Development Votes 30 and 35, and Industry, Science and Technology Vote 25, and Justice Votes 1 and 5, and Labour Vote 5, and National Health and Welfare Vote 15, and Parliament Vote 1, and Solicitor General Vote 10, and Supply and Services Votes 1 and 5 (Schedule F) of the said Estimates, $1,651,563,431.35;

be granted to Her Majesty on account of the fiscal year ending March 31, 1994.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

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

(*Division No. 435*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bourgault
Brightwell	Campbell (Vancouver Centre)
Chadwick	Champagne (Champlain)
Chartrand	Clark (Brandon—Souris)
Cole	Collins
Cooper	Corbeil
Corbett	Côté
Couture	Crosbie (St. John's West)
Danis	Darling
de Cotret	Dick
Dobbie	Domm
Dorin	Epp
Fee	Ferland
Fretz	Friesen
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hockin	Horner
Horning	Hudon
Hughes	Jacques
Jelinek	Johnson
Joncas	Jourdenais
Kempling	Landry
Langlois	Larrivée
Layton	Lewis
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming—French River)	MacKay
Malone	Marin
Martin (Lincoln)	Masse

McCreath
McLean
Monteith
Nicholson
O'Kurley
Plourde
Reid
Robitaille
Saint-Julien
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—115

McDermid
Merrithew
Moore
Oberle
Paproski
Pronovost
Reimer
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Winegard

NAYS

Members

Allmand
Baker
Benjamin
Blackburn (Brant)
Breaugh
Catterall
Dingwall
Duhamel
Fisher
Fontana
Gaffney
Gauthier
Harb
Hunter
Keyes
Kindy
Langan (Mission—Coquitlam)
Lee
MacWilliam
Manley
Martin (Lasalle—Émard)
McGuire
Milliken
Murphy
Pagtakhan
Prud'homme
Skelly (Comox—Alberni)
Stupich
Vanclief
Waddell

Axworthy (Winnipeg South Centre)
Bellemare
Bevilacqua
Boudria
Caccia
Comuzzi
Dionne
Finestone
Flis
Foster
Gagliano
Grey (Beaver River)
Harvard
Jordan
Kilgour (Edmonton Southeast)
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Maheu
Marleau
McCurdy
Mifflin
Mills
Nault
Proud
Simmons
Stewart
Taylor
Volpe
Young (Beaches—Woodbine)—60

PAIRED MEMBERS

Bélair
Clark (Yellowhead)
Duplessis
Kaplan
Ouellet
Weiner

Blondin-Andrew
Della Noce
Edwards
McKnight
Turner (Vancouver Quadra)
Young (Acadie—Bathurst)

• (1820)

[*English*]

Mr. Speaker: I declare the motion carried.

Supply

Mr. Redway: Mr. Speaker, I regret I was delayed and unable to be in the Chamber when the vote took place, but if I had been here I would have voted with my party.

Mr. Crosbie (for the President of the Treasury Board) moved that Bill C-120, an act for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial year ending the March 31, 1994, be read the first time and printed.

Madam Deputy Speaker: Pursuant to Standing Order 69(1) the motion is deemed adopted.

Bill read the first time and printed.

Mr. Crosbie (for the President of the Treasury Board) moved that the bill be read the second time and referred to Committee of the Whole.

Mr. Speaker: Is it the pleasure to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. DeBlois in the chair.

The Assistant Deputy Chairman: Shall Clause 2 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 2 agreed to.

The Assistant Deputy Chairman: Shall Clause 3 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 3 agreed to.

The Assistant Deputy Chairman: Shall Clause 4 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 4 agreed to.

The Assistant Deputy chairman: Shall Clause 5 carry?

Some hon. members: Agreed.

Some hon. members: On division.

Clause 5 agreed to.

Schedules A to F inclusive agreed to.

Clause 1 agreed to.

• (1825)

Preamble agreed to.

Title agreed to.

Mr. Dingwall: Mr. Chairman, my question is for the Minister of Fisheries and Oceans who is acting on behalf of the President of the Treasury Board. I asked him a similar question earlier today. I am wondering whether he can inform the House whether this bill is in its usual form, with no deviations from the normal contents of a supply bill. I am wondering if the hon. Minister of Fisheries and Oceans can give us that undertaking.

Mr. Crosbie: Mr. Speaker, on our side of the House we are totally against deviations.

Bill reported.

Mr. Crosbie (for the President of the Treasury Board) moved that the bill be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to.

Mr. Crosbie (for the President of the Treasury Board) moved that the bill be read the third time and passed.

Mr. 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.

PRIVATE MEMBERS' BUSINESS

[*English*]

EUTHANASIA

TERMINALLY ILL PATIENTS

The House resumed consideration of the motion of Mr. Waddell (p. 16093).

Mr. Speaker: Following the adoption of the 24th report of the Standing Committee on House Management on Wednesday, April 29, 1992, 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.

Those opposed to the motion will be called in the same order.

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

(*Division No. 436*)

YEAS

Members

Allmand
Benjamin
Blackburn (Jonquière)
Bourgault
Caccia
Fisher
Hunter
Langan (Mission—Coquitlam)
MacWilliam
Murphy
Skelly (Comox—Alberni)
Taylor
Young (Beaches—Woodbine)—25

Axworthy (Saskatoon—Clark's Crossing)
Blackburn (Brant)
Bosley
Breaugh
Edmonston
Greene
Kristiansen
Lopez
McCurdy
Scott (Hamilton—Wentworth)
Stupich
Waddell

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Bird
Blenkarn
Boudria
Chadwick
Chartrand
Collins
Cooper
Corbett
Couture
Danis
de Cotret
Dingwall

Andre
Bellemare
Bernier
Bevilacqua
Blais
Bouchard (Roberval)
Campbell (Vancouver Centre)
Champagne (Champlain)
Cole
Comuzzi
Corbeil
Côté
Crosbie (St. John's West)
Darling
Dick
Dobbie

Domm
Epp
Ferland
Fontana
Fretz
Gaffney
Gauthier
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Harvey (Chicoutimi)
Hockin
Hudon
Jacques
Johnson
Jordan
Kempling
Kindy
Langlois
Layton
Lee
MacDonald (Rosedale)
MacKay
Maheu
Manley
Martin (Lasalle—Émard)
Masse
McDermid
McLean
Mifflin
Mills
Moore
Nicholson
O'Kurley
Paproski
Pronovost
Prud'homme
Dorin
Fee
Flis
Foster
Friesen
Gagliano
Gibeau
Grey (Beaver River)
Gustafson
Harb
Hawkes
Horning
Hughes
Jelinek
Joncas
Jourdenais
Keyes
Landry
Larrivée
LeBlanc (Cape Breton Highlands—Canso)
Lewis
MacDougall (Timiskaming—French River)
MacLellan
Malone
Marleau
Martin (Lincoln)
McCreath
McGuire
Merrithew
Milliken
Monteith
Nault
Oberle
Pagtakhan
Plourde
Proud
Redway
Reid
Robitaille
Saint-Julien
Shields
Sobeski
Sparrow
Stewart
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vanclief
Vankoughnet
Vien
Volpe
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—140
Reimer
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Van De Walle
Vézina
Vincent
Wilbee
Winegard

PAIRED MEMBERS

Bélair
Clark (Yellowhead)
Duplessis
Kaplan
Ouellet
Weiner
Blondin-Andrew
Della Noce
Edwards
McKnight
Turner (Vancouver Quadra)
Young (Acadie—Bathurst)

Mr. Speaker: I declare the motion lost.

It being 6.36 p.m. this House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.36 p.m.

HOUSE OF COMMONS

Tuesday, March 23, 1993

The House met at 10 a.m.

Prayers

[*Translation*]

PRIVILEGE

ALLEGED COMMENTS OF MEMBER FOR ROSEMONT

Mr. Speaker: Last week, we heard the hon. member for Beauce comment on a newspaper article about the Acting Speaker. After a number of discussions, I think it may be appropriate to hear what the hon. member for Rosemont has to say.

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, the hon. member for Beauce quoted a sentence that was reported in a newspaper obviously out of context.

What people should realize is that we had a big meeting of militant members of the Bloc Quebecois in the riding of Beauport—Montmorency—Orléans, attended by nearly 1,500 people. These people know their member very well, especially since they were largely responsible for electing him in 1984 and 1988. They remember his doubts when he was about to join the Bloc Quebecois when he was in his riding in 1990 and 1991, and then went back to the Conservatives in Ottawa.

• (1010)

What I said in addition to what was reported in the press is that by accepting his appointment as one of the Deputy Chairmen of the House, the hon. member for Beauport—Montmorency—Orléans had put himself in a position where he had to apply rules that did not recognize the Bloc Quebecois, with the approval of the traditional political parties here in this House. Of course I realize, and that is why I used the word *instrument*, that the Speaker cannot overrule a decision by members and party leaders who applied the letter rather than the intent of the Standing Orders, because everyone knows perfectly well there are precedents that would amply justify recognizing the Bloc Quebecois as a political party.

It is quite simple. The hon. member for Beauport—Montmorency—Orléans had a choice. He made his choice and, as a result of that decision, he is now in a position to apply rules set by all or by almost all political parties in this House, by what we call the traditional parties.

I used the word collusion. Perhaps I should have said coalition, since collusion connotes an element of secrecy. I may add that the committee's meetings were secret and that we were never able to explain our position. We were never able to discuss it. The Standing Orders were applied. In fact they were used as an excuse and there was never an open debate. I think it would be more accurate to refer to a coalition of the traditional parties in the House instead of collusion.

The crux of the matter remains the same, and the people of Beauport—Montmorency—Orléans realize that. The fact is that for the past two years we have had a situation where many members told their constituents they were very close to the Bloc Quebecois, and now when conventions are being held to elect candidates for the next election people should know where they stand. I think the residents of Beauport—Montmorency—Orléans will know exactly where they stand in the next election.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, perhaps I may comment briefly on this point of order. Personally, and I am sure I also speak for most if not all parliamentarians in this House, I think that when presiding over the proceedings of this House the hon. member for Beauport—Montmorency—Orléans is absolutely fair and impartial. If people say the hon. member takes political sides in his own riding, well I certainly hope so. After all, he was elected as a member of a political party. But to say that his role in the Chair makes him party to some kind of collusion or coalition is unfair because it reflects on the Speakership as a whole.

Mr. Speaker, you have said many times that the Speaker is the servant of the House, not its leader. You yourself, Mr. Speaker, are a servant of the House and your colleagues as well, including the hon. member for Beauport—Montmorency—Orléans. I think he is strictly impartial in the performance of his duties and, as I see it, this criticism is entirely unfair. He is no one's *instrument*. He is, as you are, Mr. Speaker, a servant of this House, and that is as it should be.

Mr. Gilles Bernier (Beauce): Mr. Speaker, after listening to the hon. member for Rosemont going on at length about how he was misinterpreted or quoted out of context I still believe the journalists at the *Beauport-Express* in Beauport—Montmorency—Orléans accurately reported what was said that evening.

• (1015)

There was talk of collusion. It was said that the rights of Bloc Quebecois members were violated in this House. I think the hon. member for Beauport—Montmorency—Orléans is doing a magnificent job in this House as one of its Deputy Chairmen. With unruffled calm and an abiding concern for fairness and justice he has always given everyone his due here in the House.

Since the hon. member for Rosemont is apparently unwilling to admit that he went too far—although it would have been so easy for him do so this morning—I wish to move, seconded by the hon. member for Terrebonne:

> That the matter of the comments made by Mr. Tremblay, member for Rosemont, with regard to Mr. DeBlois, member for Beauport—Montmorency—Orléans and Assistant Deputy Chairman of Committees of the Whole, as reported in the March 14, 1993 edition of the newspaper *Beauport-Express*, be referred to the Standing Committee on House Management.

I move this motion, Mr. Speaker, subject to the Chair's ruling.

SPEAKER'S RULING

Mr. Speaker: This is, of course, a rather difficult situation, not only for the Speaker and the hon. member, but also for the House.

I listened carefully to what was said by the hon. member for Rosemont. He may have given some explanation of the circumstances in which he made the comments that were quoted in the newspaper in question.

However, I have some difficulty with the facts, because clearly if we consider only what was quoted in the newspaper those words are in my opinion unacceptable to this House. If we consider the words that were reported we clearly have a prima facie case that affects the dignity of this House and our colleague, because our colleague is an officer of this House. As the hon. member for Glengarry—Prescott—Russell said earlier, like the Speaker he is an officer of this House and an attack against the integrity of a person in that position is an attack against this House.

As I said before, I listened to the comments of the hon. member for Rosemont, and I assume the crux of the problem is the position of the Bloc in this House. I realize that there have been ongoing complaints by some members of the Bloc Quebecois about its status as a party in this House.

• (1020)

However, all members, and the public as well, must realize the decision on the status of members of the Bloc Quebecois was not made by the Speaker or by our colleague.

If the hon. member for Rosemont would accept this distinction and perhaps be willing to withdraw this morning the comments he made with reference to the Speaker—and as the Speaker of this House I am his Speaker as well—we would accept that.

However, in the circumstances, I think that for the sake of relations between Bloc Quebecois members and the other members of this House it would be entirely appropriate to withdraw altogether the comments reported in the newspaper.

If there is a withdrawal, it would be preferable to make it here. I therefore suggest that the hon. member for Rosemont consider the Chair's comments and perhaps, on reflection, he might wish to withdraw entirely the comments that were quoted in the newspaper.

M. Tremblay (Rosemont): Mr. Speaker, I do not know whether we have a language problem, but I think I made it quite clear that I understood the Speaker did not, and cannot, for that matter, make the rules that denied the Bloc Quebecois recognition as a political party. I made that quite clear.

I also said that by accepting the appointment the hon. member was bound to apply rules made by others. If that is interpreted as inferring that decisions made by the hon. member for Beauport—Montmorency—Orléans were not impartial, that certainly is not what I meant. I meant that by accepting this appointment, he put himself in a position where he had to apply rules against the recognition of the Bloc Quebecois, which are not his to change.

As the hon. member for Glengarry—Prescott—Russell said earlier, he has become a servant of the members of this House. Instead of using the word servant, I used the words *un instrument*. I do not want that to be interpreted as being partial. When he makes decisions in the House, he cannot do otherwise but apply the non-recognition rule.

My point was that he had the choice to either accept or refuse this position. It is quite clear that he is a servant of the House. I referred to *un instrument* and I am quite prepared to withdraw the word collusion, if you prefer, and to talk about a coalition, which is common knowledge.

It seems to me my interpretation is quite clear, and people know, as the hon. member for Glengarry—Prescott-Russell said earlier, that the Speaker is a servant of the House.

• (1025)

Mr. Speaker: First of all, I want to thank the hon. member for his comments and his explanation, but there still is a problem. Although the hon. member for Rosemont has put forward certain arguments which are not altogether impossible to understand, especially in politics, I still think we are faced with a difficult situation for the House.

[*English*]

Consequently, having found there is a prima facie case I am going to put the motion of the hon. member for Beauce to the House. Then it will be for the committee and the House to decide. The hon. member for Rosemont will of course have a chance to discuss the matter with his colleagues in the House and in the committee.

It may well be that out of that discussion may come something useful in terms of the general amity of members among themselves. I do think it is a matter for the House to decide.

The House has heard the terms of the motion. Is there agreement?

Some hon. members: Agreed.

Motion agreed to.

[*Translation*]

Mr. Tremblay (Rosemont): Mr. Speaker, you said that you had some difficulty. I am trying to understand what that difficulty is because I think I clearly explained that what I said was not a reflection on the decisions of the Speaker. I explained that I would substitute the word coalition, a decision by all the members of this House, for the word collusion. I am trying to understand your reasons for this decision, Mr. Speaker, and I must say, quite honestly, that I am somewhat at a loss.

Mr. Speaker: The hon. member for Rosemont will understand it is not appropriate for the Chair to give an explanation after making its decision. However, I suggested he withdraw his remarks as reported in the newspaper. The hon. member may not agree with the Chair's suggestion, but lacking a specific statement by the hon. member in which he withdraws his words I believe it is appropriate to give the House and the committee an opportunity to consider this matter. The hon. member has every right to state his case, and he will have ample opportunity to do so in committee. After this brief explanation I think the case is closed. Once the committee has tabled its report the House may have a chance to consider the matter again. However, for the time being the case is closed.

ROUTINE PROCEEDINGS

• (1030)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to several petitions.

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

* * *

TRANSPORT

FIFTH REPORT OF STANDING COMMITTEE

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Transport dealing with Bill S-8, the Motor Vehicle Safety Act.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, Question No. 462 will be answered today.

[*Text*]

Question No. 462—**Mr. Dingwall:**

With respect to the Canada Post Corporation, (*a*) how many hectares of undeveloped land does it own (*b*) how many hectares of developed vacant land does it own (*c*) what is the total market value of the land?

Hon. Harvie Andre (Minister of State and Leader of the Government in House of Commons): (*a*) Canada Post Corporation does not own undeveloped land.

(*b*) The corporation owns approximately 18 hectares of developed vacant land in 27 locations. Some of those properties are listed for disposal.

(*c*) The market value of the land is considered as proprietary information and is not released by Canada Post Corporation.

[*English*]

The Acting Speaker (Mr. DeBlois): The question as enumerated by the parliamentary secretary has been answered.

Mr. Clark (Brandon—Souris): I ask, Mr. Speaker, that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT, 1993 NO. 2

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-113

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I move, pursuant to Standing Order 78(3):

That, in relation to Bill C-113, an act to provide for government expenditure restraint, not more than one further sitting day shall be allotted to the consideration of report stage and one sitting day to the consideration of the third reading stage of the bill; and

That, fifteen minutes before the expiry of the time provided for government orders on the day allotted to the report stage consideration and on the day allotted to the third reading stage consideration of the said bill, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question necessary to dispose of the stage of the bill then under consideration shall be put forthwith and successively, without further debate or amendment.

• (1035)

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

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

(Division No. 437)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Boyer
Brightwell	Browes
Casey	Chadwick
Champagne (Champlain)	Chartrand
Clark (Brandon—Souris)	Cole
Collins	Cooper
Corbeil	Corbett
Côté	Couture
Crosbie (St. John's West)	Danis
Darling	de Cotret
Dick	Dobbie
Domm	Dorin
Edwards	Epp
Fee	Ferland
Fretz	Friesen
Gibeau	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hogue
Horner	Horning
Hudon	Hughes
James	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Landry	Larrivée
Layton	Lewis
Littlechild	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming—French River)
MacKay	Malone
Martin (Lincoln)	Masse
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McLean
Merrithew	Monteith
Moore	Nicholson
Oberle	O'Kurley
Paproski	Plourde
Porter	Pronovost
Redway	Reid
Reimer	Richardson
Robitaille	Roy-Arcelin
Scott (Victoria—Haliburton)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Valcourt
Van De Walle	Vankoughnet
Vézina	Vien
Vincent	Weiner
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—121	

NAYS

Members

Althouse	Anawak
Arseneault	Baker
Barrett	Bellemare
Benjamin	Bevilacqua
Blackburn (Brant)	Blaikie
Boudria	Breaugh
Butland	Caccia
Campbell (South West Nova)	Catterall
Dingwall	Dionne
Duceppe	Edmonston
Ferguson	Fisher
Flis	Foster
Gaffney	Gagliano
Gauthier	Grey (Beaver River)
Guarnieri	Harb
Harvard	Heap
Hunter	Jordan
Keyes	Kilgour (Edmonton Southeast)
Kristiansen	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Laporte
Leblanc (Longueuil)	Lee
MacAulay	MacWilliam
Maheu	Manley
Marleau	McCurdy
McGuire	Mifflin
Milliken	Mills
Mitchell	Murphy
Nault	Nystrom
Pagtakhan	Peterson
Proud	Prud'homme
Rideout	Rompkey
Samson	Simmons
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Taylor
Tremblay (Rosemont)	Vanclief
Volpe	Waddell
Wappel	Young (Beaches—Woodbine)—76

PAIRED MEMBERS

Allmand	Bélair
Campbell (Vancouver Centre)	Duplessis
Hockin	Jacques
Kaplan	Young (Acadie—Bathurst)

• (1120)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

[*English*]

MEASURE TO ENACT

The House resumed from Friday, March 19, consideration of Bill C-113, an act to provide for government expenditure restraint, as reported (without amendment) from a legislative committee; and Motions Nos. 7, 8, 9, 10, 11, 13 and 14.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I would like to thank my colleague, the member for Timmins—Chapleau, for the amendments he has introduced to the unemployment insurance section of Bill C-113.

The legislation is so terrible that nothing can really make it palatable, but if we can in some small way lessen some of the effects of the bill, that at least is a worth-while exercise.

I understand that government members are being inflexible in their approach to the amendments, but I hope they will take a serious look at them and will actually choose to support some of the improvements to the impacts the bill will have.

There are a number of amendments dealing with clause 18 of the bill. This clause increases the grounds for just cause. The first paragraph of the bill suggests that just cause exists where the claimant has no reasonable alternative to leaving employment. Motion No. 7 would replace that phrase so the just cause for leaving employment exists where any of the following circumstances applied to the claimant.

The reasonable alternative is out, that the government provides for itself. In the "but book", the book of draft directives issued by the director of benefit entitlements, every legitimate reason for quitting a job also has a number of buts applied to it. You can quit your job to look after a child, but only if you first ask a trusted relative or if you have asked for a change of hours, et cetera, et cetera, et cetera.

Even the new briefing book listing reasonable alternatives to go with every just cause provided the commission with a means of rejecting claimants, even though they have given just cause reasons for quitting.

Motion No. 8 adds reasons for just cause, bringing the total to 40. The Conservatives like to tell us that jurisprudence actually gives us 40 reasons that provide just cause. They speak of these 40 reasons in tones of reassurance. Why should we worry about people being unfairly penalized when there are all these reasons they can use to get benefits.

We have basically included all 40 to call their bluff. We notice the parliamentary secretary for finance said on Friday that he recognizes this as an attempt to expand the definition of just cause, but he calls the motion unnecessary because the 13 reasons listed already cover the vast majority of additional reasons proposed by the member. That is what he says.

In other words, the 40 reasons with which the government has attempted to reassure Canadians do not really have any weight at all. Most are variations of the original five already in the UI act.

• (1125)

It is true there is some minimal advantage in increasing the list to 40, just as there is some minimal advantage in increasing the list to 14. They may be a little stronger for being there but they should not be looked at in a simplistic manner. It cannot be said that because the reason is on the list one gets the benefits.

We have case after case which demonstrates how people listed these reasons and still lost the benefits. There are inconsistencies now in the application of the just cause penalties at the level of the agent, the appeal board or the umpire. It is the umpire level which establishes the new jurisprudence. In the future people will lose all their benefits because of some factor buried in the existing law which basically says a good reason is not good enough.

The last reason in our amendment does not include "as prescribed" which appeared in the bill. As prescribed pertains to jurisprudence and commission regulations. If these two words go into the new legislation, a truly just cause will not be considered if it is not contained in the jurisprudence and commission regulations. It limits any future additions to jurisprudence.

Motion No. 9 places the onus of proof with the commission and establishes that benefit of doubt beyond any reasonable doubt shall go to the claimant. In spite of the commission's continual assurance that the benefit of doubt will be given to the claimant, there is nothing in the act that says this. There is also nothing to reverse the onus of proof to the commission. Under the present practice the claimants must prove they had just cause rather than the commission proving they did not.

Motion No. 10 clarifies that a common law spouse is a spouse under the act. That should not be necessary as one would think that common law relationships are now fully recognized. However, we can show an umpire's decision which states that if Parliament in its wisdom had wanted to include—and I believe it should be included that it would be just cause to quit one's job to follow a common law spouse—Parliament would have stated so in the statute.

The parliamentary secretary smugly suggested this amendment was not necessary because UIC guidelines now include common law spouses. I remind him in the presence of legislation it is jurisprudence that establishes the rules. Because of this umpire's decision the policy should become stricter. Here is our opportunity to include it if members of the other side of the House will only support this motion.

Clause 20 of the bill amends section 30.1 of the UI act so that claimants disqualified on the basis of section 28 will lose all their benefits. Section 28 claimants are those who are fired for misconduct or who quit without just cause. These same claimants lose seven to twelve weeks of benefits and their benefits after that are reduced to 50 per cent.

Our position is that this penalty is severe enough. With that kind of penalty very few people would quit a job just for the fun of it, particularly in an economy where they risk getting no job again.

The minister likes to ask if anyone who quits a job without good reason should get UI. I would like to ask the minister: Does he believe workers who had good reasons for quitting their jobs should still lose all their benefits? Under this law that is exactly what is going to happen. No one really deserves to lose all benefits. The worst part of this legislation is that many of these people will be innocent victims; people who will not be able to prove their case. We all know that under this system you are guilty until you prove yourself innocent.

We are calling Motion No. 13 the Quebec amendment. As suggested by some Conservative members from Quebec, the bill as it stands now is too inhumane. We therefore suggest a three-step process. The first time a person is fired is the first event. The claimant remains under the current legislation of seven to twelve week exclusions. If there is a second event a person gets the maximum 12 week exclusion. Only if there is a third event will the claimant suffer a total loss of benefits. Motion No. 11 is included as cross-referencing for the purpose of the Quebec amendment. These corrections would have to be made to make Motion No. 13 apply.

• (1130)

This is the essence of the amendment the Quebec Tories who protested Bill C-105 wanted to see. We are putting it in for them. Allowing workers three chances obviously is more humane. While we in no way agree that it would make the bill acceptable, as with any of the amendments it is obviously better that total loss of benefits should not be the penalty until someone has quit or been fired on three successive occasions.

Under clause 20(4), once a person is disqualified none of the insurable weeks of employment prior to the event can be used to requalify for a later claim. I am running out of time but I would like to point out that with respect to time which has been earned previously and has not been used up in no way under any circumstances should the person be disqualified from using it. This is simply overkill. It is using a shotgun to kill flies and there are many other analogies one could make.

I hope that the minister and the government members will consider their opposition to these amendments as I believe they make vital corrections. The impact of this bill will be incredibly severe. Surely the government cannot object to some amendments which will soften it.

Mr. Derek Blackburn (Brant): Mr. Speaker, I wish to take part in this debate at report stage. I have one or two points I want to make. I know a lot has been said on both sides of the House and I know that members on this side have for the past several weeks condemned Bill C-113, particularly as it relates to unemployment insurance.

I have been involved in UI debates for many years and if there is one area of law making that increases the intensity of debate around here, it is amendments from time to time in relation to the Unemployment Insurance Commission.

Every government we have had in the 22 years I have been a member of this House has in its so-called reform approach to UI come in with measures that are ever more Draconian. For example, the Liberals a number of years ago reduced benefits from 66 per cent of income down to 60 per cent of income. Now they are screaming because the Conservative government is about to reduce the benefits from 60 per cent to 57 per cent.

There is no doubt in my mind that the Conservative government is using the Unemployment Insurance Act as a weapon in its arsenal for deficit reduction but it is doing it on the backs of the unemployed. That is simply not fair.

I am a member not of the labour committee but of the justice committee of this House. I cannot help but draw certain parallels between the Unemployment Insurance Commission and how it operates and the criminal justice system in this country and how it operates.

In the criminal justice system the onus of proof of guilt is on the system. In other words the Crown has to prove beyond a reasonable doubt that the accused is guilty. The accused does not have to prove his or her innocence.

In the unemployment insurance system it is just the opposite. The onus of proof is on the claimant. When the claimant is adjudicated and there is any doubt whether or not his or her claim should be acceptable, and the Unemployment Insurance Commission says it is not acceptable, then the onus of proof is on the claimant. The onus of proof is on the person applying for the unemployment insurance.

Incidentally this is not a welfare system. This is an insurance system. It is a compulsory insurance system into which the claimant has been forced by statute to pay. It is an insurance against loss of income due to being unemployed. But at the same time the government insists that the claimant must prove that the claim is correct. It is not the other way around. It is philosophically unfair. It is basically unfair at the outset.

• (1135)

Second, in the criminal justice system, a person is innocent until proven guilty, as I mentioned a few moments ago. It is often an assumption in the unemployment insurance system if there is a very deeply disputed aspect that the claimant is guilty until proven innocent. This is very often involved in disputes arising from being dismissed for just cause or quitting for just cause.

Third, the criminal justice system is guided by laws that must be changed by statute. This is a very rigorous process. The unemployment insurance system is guided by directives that can be changed by the commission at any time, that can be interpreted loosely or severely, depending very often on the individuals who are involved in the actual hearing itself. Consequently in the UI system, many of the decisions are based upon individual officers in the commission itself, not according to law, not even according to regulations sometimes, but according to a whim, or according to a very narrow interpretation.

Fourth, in the criminal justice system all witnesses are treated equally before the law. That is a basic precept. The odd time this does not occur, it usually gets front page coverage, particularly in the criminal justice system if it involves a person who has been charged with a serious offence. In the unemployment insurance system, employers have more power than the claimants through the separation slip and through the approach recommended by the UI directives. I do not think there is any question about this. In a dispute between an employer and an employee the decision goes in favour of the employer most of the time.

Fifth, under the criminal justice system decisions are made first by police that investigate a crime and gather information and evidence. They present the evidence to a Crown prosecutor. It is a decision of the Crown prosecutor whether to proceed with the charges or not. Then the trial itself involves prosecution, defence, the judge—that is the bench—as well as a jury very often. However, in the unemployment insurance regime the UI agent is the police officer, the lawyer and the judge, usually with the responsibility for making a decision alone. We are speaking here of the decision of first instance.

In the criminal justice system, except in extreme crimes, jail sentences or fines are not imposed until after the appeal system has been exhausted. The fine or the jail sentence may be arrived at in court and prescribed, but the fine is not paid or the jail term is not served until all the appeal processes have been exhausted.

In the unemployment insurance system the claimant suffers total loss of income immediately. What does the claimant live on while pursuing the appeal? This is particularly true in cases of alleged sexual harassment. It is easy for the government to say all the person has to do is launch an appeal if there is any doubt whether or not sexual harassment was a factor in a person leaving her job. That is fair enough. The point here is it may take months, in fact I have heard of some cases taking over a couple of years to resolve. In the meantime, that person is not receiving any benefits from the Unemployment Insurance Commission into which that person has had to contribute by statute. To me that is not fair.

Again, under the criminal justice system, sentences to fit the crime may increase or decrease minimally within a prescribed range. Under Bill C-113 the penalty goes from a maximum of 12 weeks' loss of income to full loss of income. I argue that is not fair.

In the criminal justice system though inconsistency exists in the system it is controlled by the appeal process. If mistakes have been made at the lower level, at the court of first instance, the appeal system is there to correct the inconsistencies or the mistakes that were made.

• (1140)

In the unemployment insurance system decisions from one employment centre to another can differ greatly. Appeals are also localized and potentially inconsistent. There is very little one can do about it, if anything.

Again under the criminal justice system if an appeal process is too lengthy the court may drop charges against the defendant. That happened in the province of Ontario a couple of years ago. Many charges, some of them fairly serious, were stayed simply because the courts were technically unable to receive and do their job. They were backlogged to the point where the Supreme Court of Canada said that it was not fair to keep the charges outstanding and therefore they were stayed.

Under the unemployment insurance system there are no regulations which proclaim a minimum appeal time in favour of the claimant.

Again I go back to the sexual harassment aspect of an unemployment insurance appeal. Why should a woman who says that she was sexually harassed and therefore was forced to quit her job have to wait for months, even up to two years to get justice in the unemployment insurance system and at the same time receive no benefits if in the criminal justice system there are prescribed limits of time after which the charges must be stayed? Justice delayed is justice denied. Surely the same principle should apply in the unemployment insurance system.

Finally, in the criminal justice system the defendant cannot be excluded from his or her trial except in cases of extreme misbehaviour in the actual court proceedings. Under the unemployment insurance system, Bill C-113 allows the chair of an appeal board to exclude the claimant while hearing evidence from the employer.

For some or all of those reasons, I am voting against Bill C-113.

Mr. George S. Rideout (Moncton): Mr. Speaker, it is a pleasure in some respects to at least stand and discuss this particular bill and point out some of the errors the government has made with respect to UI legislation.

I think all of us when we first heard that a bill was coming down—I think it was Bill C-105—looked at the general intent and said it was a good idea to look at unemployment insurance. We could see if there were ways to improve the system to make it work better and to make sure that it was not being defrauded or abused.

When we finally had a chance to analyse the bill it became very clear the bill was lacking. In fact the government knew it was lacking as well because it withdrew the bill and made many amendments and changes to try to make it look better.

The optics of correcting abuse in the UI system is always great. Anybody who works hates to think that their tax dollars are going to somebody who is freeloading or abusing the system or who is actually taking from the system unjustifiably.

It is great optics from the government's point of view to proceed on that basis and introduce this legislation, but it knew it was wrong. The government made changes. It has now brought back another bills which is what we are debating today, and the same problems are still there.

I think the government now is a little worried that the optics have gone a little sour. In fact, when we really analyse what has happened here the government is saying that it has a major political problem. There are 1.6 million Canadians out of work and of those about 400,000 are youth. The government is saying: "We cannot deal with it. We do not have any answers. We are stuck. We are finished. We do not understand. We cannot do anything. What do we do? Rather than trying to deal with the situation let us take a look at the optics again and see if we can come up with something that is just a little neater and divert people's attention".

I am sure everyone is familiar with the old shell game where you hide the pea and try to divert people's attention away from what is going on so that they cannot figure out where the pea is.

The simple fact of the matter is that is what is going on here with Bill C-113. The government is trying to divert Canadians' attention away from the problem of unemployment and put it on the backs of unemployment insurance and the small number of people who may be abusing the system.

• (1145)

The government keys in on some interesting things such as quitters. It has good optics with quitters. Anybody who quits is not thought of too highly so it wants to focus on quitters or cheaters.

That is the way in which the government has tried to divert people's attention away from the fundamental question of why the government has not been able to put Canadians back to work. Why has it not developed policies, procedures and directions that would see Canadians working so that they did not have to use the unemployment insurance system as it presently exists or as the government intends it to exist?

Instead, the government wants to play the shell game and divert people's attention. We have to deal with the bill. Looking at the bill, one can see that in order to make the optics look good, it has to be negative. It cannot be positive.

We have to say that all cheaters are guilty until they prove themselves not to be. The whole onus shifts. It is seen in the area of sexual harassment. One has to prove the harassment. Anybody who quits because they have been harassed for whatever reason must prove it. Again it shifts the onus.

It all sounds very good. The optics look excellent, but the fact of the matter is it is manifestly unfair. As the previous speaker pointed out, when we look at our fundamental system of justice the opposite is the case. You are innocent until proven guilty. If government feels that people are cheaters, quitters or harassers, then the onus should be on the government to prove that rather than shifting it in the other direction.

I look at unemployment insurance and from the people whom I talk to in my office I know that no one wants to be on UI. Nobody goes out of the way to say: "Put me on UI. I want to be on UI". They want to have a job. They want to have dignity and pride. That is not acquired by being on UI. Maybe what we should be doing is rather than looking at the optics of unemployment insurance, why not get right to the root and find out how we can get people employed and off of UI. We have built-in systems within the UI system that in effect preclude people from getting back to work.

There was an interesting case of a fellow who lost his job. He tried to start up a business. It was a corner store operation. It took him two or three months to actually get that business up so that it would pay him some money. UI found out about it. They said: "No, no. Because you were working in this business for the last three months, we are going to penalize you. Not only are we going to take away the UI that you got for the three months, we are also going to penalize you". They made it so that he almost went out of business with the loss of money and the penalty UI put on.

He would have been better off to stay home and not try to better himself, not try to become gainfully employed and not try to find employment for others. In this particular business he was employing three other people.

What we have to do is change the optics of this to helping people. We have to put in a UI system that is for the people and not against the people. This government and its bill are doing just the opposite.

I look at what is going to happen to the provinces. We have seen statistics over the last little while with respect to bond rates and all of those types of things. The provinces are in trouble, very serious trouble. What does this government say? This government says: "We are going to take people off UI and put them on the welfare rolls because they are not going to be able to survive either way". If it puts them on the welfare rolls then it is the provinces' problem and not the federal government's problem.

The governments least able to handle the situation are the provinces and the municipalities. The government says: "Let us shift the burden. Let us put the burden on those two levels". Then the welfare rolls grow, either in provincial governments that look after welfare, or municipal budgets which are strained to the limit to look after welfare situations.

We have an opportunity in this country now to come up with a system that works, not one that penalizes. Put in those incentives to try to create jobs rather than try to punish people.

Quite frankly, if the government looked hard, there are lots of real abusers it could find and really change the system. All one has to do is look at what is going on in some of the areas in New Brunswick, Nova Scotia and Prince Edward Island to see where there are abuses in the system, not going to individuals, but just as to how the whole system functions. Those are the things that government should be looking at to see if some changes can be made.

• (1150)

I have to say when I first heard about the bill I thought it made some sense. We should try to make sure that those who abuse the system are dealt with. One hears all sorts of stories and no one knows if they are true or not. One hears of people getting paid a higher wage and then having to pay something back under the table. Or there is the creation of jobs for a prescribed period of time and then allowing people to quit and other people to come along. I think that is an abuse which has to be dealt with. We have to look at those situations.

However, we have to also look at the root cause. In certain industries we do have seasonal employment and this is the only way that seasonally employed people can function for the rest of the year. So why do we not build in a system that does not force them to be cheaters and in effect, crooks? Why do we not allow them to work at their profession but at the same time maintain some dignity? Instead, we have to drive them under the table.

I see my time is running out. I think that this bill is fundamentally flawed. It is done only for optics. It is only done for the leadership campaign that is unfolding and the anticipated election shortly thereafter.

Canadians deserve a better deal than that. It is time to put politics aside. It is time to deal with the root problem and that is the 1.5 million unemployed Canadians. Of that statistic we know that hundreds of thousands of Canadians have already given up and are not even looking for work any more. That is where the problem is. Let us get past the optics and to the problem. Let us create jobs for Canadians.

Mrs. Beryl Gaffney (Nepean): I am pleased to stand and speak to Bill C-113, which is the new UI bill. My colleague from Moncton kept referring to it as optics. I call it a public relations exercise which fails to change the substance of Bill C-105.

This new bill which is presented by the government will still deprive many deserving Canadians of UI benefits until they have been through a very lengthy appeal process. This issue is being used, as far as I am concerned, as nothing more than a smoke-screen. It hides the fact that the government has no idea of how to deal with the unemployment crisis we have in this country today.

The government says it is doing this to fight the deficit in the UI fund. If that is true, why does it not put Canadians back to work? Every time unemployment is reduced by a percentage point, $2 billion is cut from the deficit in the UI fund.

The UI fund is being used more and more for purposes other than replacement income. The government should not be deciding, in my opinion, how the fund should be used. It should be the employer and the employee as the government no longer even puts a cotton-picking penny into it.

Three billion dollars is now going from this fund into the retraining program. If the government used the money from other sources for the retraining program to put Canadians back to work it would not see such a huge deficit in the unemployment insurance fund.

The head of the Human Rights Commission, Max Yalden, when appearing before the legislative committee reviewing this bill said that the federal government should develop safeguards to protect claimants' rights while it reduces eligibility for unemployment insurance. He went on to say that in cases of alleged sexual harassment claimants should be given the benefit of any doubt. They should not have to prove harassment within legal definitions just that there was a valid perception of harassment.

As an example, the committee recently expelled a labour union delegation and expunged its testimony from the record. In other words, the government does not like to have anything uncomplimentary said about it. Fortunately, Judy Rebick read it back into the record last week so now it is known what many people in this country think of the government. When she appeared before the committee Judy Rebick also said that 53 per cent of those who voluntarily quit their jobs are women. As we all know, women are fighting for jobs in the first place and are fighting to keep those jobs.

• (1155)

The unemployment insurance program is the federal government's single largest expenditure, forecast to be $22.5 billion for 1993. Before 1990 the federal government's contribution to the UI fund was approximately 20 per cent, and since that time it is now totally financed by employees and employers. As a result of rising UI costs the UI fund has a deficit of $4.7 billion. I have already read into the record how the government could have reduced that.

The government expects that cutting the benefit rate from 60 to 57 per cent will save a total of $2.45 billion over two years. Maybe so, but at what cost?

How does the government justify these cuts? It says that these cuts are necessary to stop all those shiftless, irresponsible people who quit their jobs and then expect to be supported by hard-working responsible Canadians. But how many people are actually abusing the system? I would like to suggest there are not too many. There are two kinds of abuse. There are those who defraud the system with false claims and other scams and there are people who receive benefits after quitting their jobs for no apparent reason or after being fired.

The government calls the first group the cheaters. According to its own statistics the amount of money that is lost annually to these cheaters is something like $200 million, or less than 1 per cent of the total program. It is not a great amount of money.

The government estimates that 6 per cent of UI recipients are people who either left their jobs without just cause or were fired for misconduct. It has been shown by a great number of people that the measures proposed in Bill C-113 will not reduce or even contain the deficit of the UI fund. The government is simply cutting for the sake of cutting without any all-encompassing vision of what the UI program should be doing or any idea of how the program could be made to work better.

The government does not know what to do about Canada's unemployment crisis, and that is the major problem. If the proposed changes in Bill C-113 become law then those people no longer eligible for UI will have to turn to the already over-taxed welfare system.

Let me relate this to the Ottawa-Carleton region, of which Nepean is part. At the start of this month there were 30,300 unemployed persons in the RMOC. Changes to unemployment insurance are being felt in all sectors of this community.

The message from Canadians, as well as the people in this region, is that the changes to UI must not be taken as a simple budgetary measure but must be viewed in the context of a broader change affecting elements of our social safety net. They also go on to say that between 1990 and 1992 the number of unemployed persons in the RMOC increased by 10,800, or 64 per cent.

During the same period the number of social assistance case-loads had increased by an average of 540 per month, including a 345 per month increase in case-loads of employable persons. Changes in UI will mean that employable persons will remain on welfare longer. Approximately 6 per cent of all the UI claimants in the region quit their jobs. This means that as many as 1,350 individuals of the RMOC who are eligible for UI benefits in the present system will not be eligible for UI in April 1993.

Provincial and regional governments will experience increased financial burden as a result of changes to the UI law. The decrease in the number of people eligible for UI could mean a loss of $16.452 million per year in gross UI benefits to this region of Ottawa-Carleton. That is an incredible amount of money.

In addition, the reduction of the benefit rate from 60 to 57 per cent will mean a further annual loss of $24.684 million to the region in UI benefits. At the same time, contributions to the provinces and municipalities for social programs have not kept pace with the increased financial burdens they have experienced.

• (1200)

I mentioned this because it is having a very grave impact upon all of the municipalities across the country. It is clearly a case of shifting the burden from one level of government to the other and yet it is the same taxpayer who is footing the bill for them all.

The major criticisms that people have levelled at these changes are that people will be much less likely to quit their jobs, regardless of the working conditions, because they will no longer be eligible for UI; and employers will be able to use the threat of dismissal to force employees to accept a situation that might otherwise have met with resistance. Anyone who quits a job or is fired is required to prove that he or she was justified in doing so before receiving benefits, and people are considered guilty until proven innocent.

I heard of an example this morning in a meeting with people in the real estate area. They brought to my attention the UI program's treatment of commission salespersons. Realtors must give up their real estate sales licences to collect benefits for loss of employment, requiring extra expense to reapply for the licence when they regain employment. Their fluctuating income makes it impossible for some commission salespersons to meet the requirements. People who pay into the system for years are forced to accept much lower benefits than they would receive if the benefits were based on earnings averaged over the previous fiscal year. So real estate people are very concerned about this bill.

In summary, and I could go on at length, under Bill C-113 workers are in effect deemed to be guilty and must prove their innocence when they voluntarily have to quit or are fired by their employers. Under the current system a penalty for disqualification is already set at seven to twelve weeks. With Bill C-113 the penalty is total disqualification of benefits with loss of credits.

The bill does not come close to understanding the job reality for all workers, and this is especially true for construction workers.

I would hope that all members of this House would examine their conscience and vote against this bill.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I join the member who just spoke in hoping that everyone will vote against this bill, but I am not very confident that will happen.

Some four years ago the government embarked upon a program to slow down what it called the overheated economy in southern Ontario. The method it used was to very gradually increase interest rates, so gradually that it had little effect on the economy in southern Ontario or anywhere else because what kept the economy going was the increasing amount of credit that was available. As long as the lenders were prepared to give that credit businesses kept borrowing. As long as the money was being spent and businesses were expanding workers were getting money, spending that money and buying the goods that were being produced, and the economy kept growing at a great rate.

It was only when the lenders started to worry about collecting the money they had loaned out that the economy started to slow down. However it did not slow down as gradually as the interest rates had gone up. It slowed down precipitously, so that we entered the period that the Conference Board of Canada described as the first ever recession in Canada created by government policy. The government did it not by increasing interest rates but by increasing them to the point where the lenders started to worry about collecting their money back. The money was no longer in circulation and people no longer had the funds to buy the goods that were being produced in Canada, and we now have what some call a recession and what some know is a depression.

The government has learned nothing from that experience because we are now at the point where it wants to get the economy moving again. What does it do? It lowers interest rates. But again, it is doing it so gradually that it has little effect on the economy. It will not have any effect until it gets to the point where the lenders are confident about getting back the money that they lend out. They are not going to do that until Canadians start purchasing again.

• (1205)

It is hoped that this legislation before us now in part will save the UI fund some $500 million to $600 million this year. It may save the UI fund but, as others have pointed out by downloading these costs onto the provincial governments and reducing the amount of money that will be available, when people change from UI to welfare they will be getting less.

It is not just that people are getting less but that people are losing whatever confidence they might have had in any kind of a recovery.

When we see headlines from time to time saying that there are signs that the economy is turning around, fewer and fewer people believe that it really is turning around because they do not see it and they do not feel it. They know that the number of unemployed is increasing. They know that the number of jobs is decreasing, that is, the well-paying jobs, the ones that really count.

From time to time we see stories of plants shutting down or plants, businesses and industry moving away from Canada to the sunnier climes of Mexico.

The government may well save the UI fund $500 million—I do not know, I understand that figure is questionable—but it is taking it from the people who can least afford to fight the recession and the depression. Those are the people who are already not earning very much, if they are earning at all. Those are the people who would be spending every cent that they received in their own communities throughout Canada, and by spending it would give some encouragement to people who are in business and give some encouragement to the people who are working, so that they can spend their savings in some security of the job which they hope will continue.

Now they have little of that because more and more people are worried that if others are losing their jobs, when will it be their turn?

Until the recovery does become a reality people are not going to have the confidence they need to spend their savings to get the economy moving, or to even spend their earnings.

We are taking it from the poorest. The people who have lost their jobs are now going to have something like a 10 per cent reduction in the amount of UI they can claim. If they do claim UI they will not know whether they are going to get it because there will be tests. They will have to undergo examinations to see whether or not they qualify for UI.

I do not mind that kind of checking up, but the purpose of it, which is to take more money out of the economy at a time when the economy needs it most, is the crazy part of this measure. It is the same as when the government seemed to have little idea as to how to slow down what it considered to be an overheated economy. It only happened by accident. It did not happen because of the gradual increase in interest rates; it only happened at the point where the lenders were afraid to lend any more.

Once again, it is reducing interest rates gradually, but it is having no effect. When there is some conscious effort on the part of government itself or if industry and business by some miracle get back some of the confidence they have lost in the Canadian economy, only then will it turn around.

In the meantime the government should be doing its share. The government should be taking the lead in providing job opportunities, just like the New Democratic Party which has presented a policy to create employment and put that money into circulation. People who are working are paying income tax. They are paying into the UI fund, not drawing out of it. They are not cutting back, they are expanding.

Putting people to work is the way to reduce the deficit, and eventually to reduce the debt. That is the only answer to the economic problems we have today and the only way we can do that is to bring back confidence. The only way we can bring back confidence is for the government to take the lead quickly, not gradually, not slowly, not in the way it slowed down the economy, not in the way it is trying to improve it right now. It must take dramatic steps to show that the government itself has faith in the future of Canada.

We have talked about an infrastructure program. We have talked about it in the last two federal campaigns in particular. The Liberals picked up part of the idea in the last federal campaign and we will be talking about it again in the coming campaign.

There is a tremendous amount of work that needs doing in this country. We should be hiring contractors in this country, not contractors in other countries who might produce $5.75 billion worth of helicopters. Contractors in this country could be building roads, sidewalks, sewer systems, water systems, things that are needed, upgrading what needs to be done in Canada, projects that would create employment from one end of the country to the other. Yet the government's attitude is that we have to draw in, we have to rein in, we have to control the spending.

• (1210)

By controlling the spending it is doing exactly the wrong thing if it wants to get the economy going again. It should know that. It has had a couple years of experience of gradually going downhill, with the occasional headline saying that things are turning around, things are getting better, knowing full well they are not. The real statistics show the number of people employed in good jobs that enable them to pay substantial income taxes and to pay into UI funds so that the money will be there to draw out for the emergencies some people experience. There is a way to improve our economy. As I stated, more than anything else it depends upon confidence.

To get business moving depends upon the confidence of the lenders to put money into the communities. It depends upon useful work being done, not paying people to stay home on welfare, not paying people to stay on UI, but providing them with useful jobs, especially for the lower income people. They are going to spend that money in their own communities in our country, consuming goods that are produced here in Canada, keeping the money circulating in Canada, and above all else creating some confidence that the government at last has some idea as to what it should do to get the Canadian economy moving again.

It can be done, but the government has to be willing and determined. The government has to show that at last it knows what needs to be done, that it knows the cure for the illness of the Canadian economy and is determined to make that cure available to the Canadian people and the Canadian economy.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, usually I begin by saying what a pleasure it is for me to participate in a debate on a certain bill. Unfortunately, because of the guillotine motion that we voted on just prior to this debate I am not entering this debate with such pleasure. This government has brought in closure and time allocation more in this 34th Parliament in a four and a half year period than in all 33 Parliaments prior to this Parliament.

I remember when we were in government between 1980 and 1984 how the Deputy Prime Minister used to get up and criticize us because we brought in one or two time allocations in a session. He ranted and raved how we were hijacking Parliament, how we were stifling debate, how we were killing free speech. Now, who is hijacking Parliament? On an important topic such as this he puts a motion to limit debate to one sitting day.

It is high time that this government was thrown out so that it can no longer guillotine this House and prevent free speech.

In fairness I must say I have been receiving criticisms on both sides of this bill from constituents such as Henry Raston who is in real estate and talks to a lot of people. He came into my office and shared with me what he has been picking up. Yes, the Canadian public is fed up with people who are collecting UI and living six months in Florida which makes them unavailable for work.

If you are collecting UI you are supposed to be available for work. The public does not want to pay for someone who is not available, who is sunning him or herself while the hard-working person pays for that.

The other category is the quitters, the ones who work part time, build up their UI premiums and then go off again. There are the cheaters and there are the quitters, but that is not what we are objecting to on this side of the House. We want to eliminate those people also and the present legislation can do that. There is no need to change the present legislation. Instead of sending the UI cheques out, have the people report and pick up the cheques as they used to do. You would soon find out which workers are available, which ones are cheaters and which ones are quitters.

• (1215)

Most of the representations I receive are on the other side, representations against this bill, and very strong representations. Some of them are reflected in the letters I receive. Here is one from Desmond McComish. He does not write to me. He is writing to the right hon. Prime Minister. He writes:

> Dear Mr. Mulroney,
>
> I am writing to you to express my dismay and disgust at the proposed changes to the Unemployment Insurance regulations, whereby you propose to deny UI benefits to people who quit their job or get fired for cause.
>
> I was fired as the comptroller of a company last year and the boss took the position that I had been fired for cause—to protect himself from a lawsuit and because he was the type who believes a good offence is the best defence. Had the proposed UIC—

That is Bill C-113, that we are debating today.

> —rules been in effect, I would have been denied UIC in addition to receiving no severance. That is appalling.

This is someone from a Conservative riding. He goes on to say:

> If you persist, and that loose cannon, Bernard Valcourt, continues to attack the unemployed, I can assure you that I personally will bend my efforts in the election to ensure your defeat. The proposals are idiotic and political suicide. What fool would propose such changes this side of an election anyhow? Obviously not a friend. Unless you are letting Mr. Valcourt skewer himself as punishment. I helped vote you in before. Rest assured, I won't do it again. The middle class are scared enough and you have badly miscalculated the negative political fallout from these proposals—among the employed middle class, i.e.—the working scared.

Signed, Desmond McComish, a close Conservative friend of the Prime Minister who is going to do everything he can to defeat the Tories over this bill.

Another constituent who does not want to be identified says this in writing:

> It is unconscionable that the government is attacking the one group of people that is most affected by the current recession, the unemployed. This type of action is both insulting and disgusting. Although I am not on UI, it is an important safety net for people who may lose their jobs. Cutting back benefits and making it harder for people to collect will result in a tremendous backlog of appeals, trap people in dead-end jobs and especially hurt those that are wrongfully dismissed. More than likely the unemployed will be forced onto an overburdened welfare system. Contrary to what Mr. Valcourt thinks, most unemployed people will not be "proud" to help reduce the federal deficit.

Toronto and other major cities are complaining that the people who should be getting UI are not getting UI and are going on welfare assistance. The welfare tab is getting too large for the municipalities and the provinces to bear.

You may say: "Well that is fine, Mr. Flis, but what is your proposal?" My suggestion to the government is do not come up with smoke-screens. Call a spade a spade. The problem is not those who are receiving UI. The problem is that there are no jobs for these people. Create the jobs. Create the training. If they cannot find jobs because they are just not available right now let us put these people on training programs.

In the 1980s we had a tough recession also. Let me give an example of what the Liberal government did in my riding. We put people to work restoring the Sunnyside pavilion to its historical site. We got funds for Palais Royal, a cultural recreation centre, to get it functioning again. We created jobs at the Canadian National Exhibition, at Ontario Place and at the Sports Hall of Fame. We built a bridge over Dundas and Sorauren through make-work programs, through infrastructure programs where the city pitched in, the province pitched in and the federal government pitched in. Our leader has been recommending this for two years, but somehow this government has no ears. If it has ears it has no middle ear or inner ear. If it has that, somehow it is not getting to the brain.

• (1220)

If the government had taken our suggestion of sharing the infrastructure programs three ways people would be working. Just in the few examples that I gave we put tradespeople to work: carpenters, electricians, plumbers, and decorative iron workers. All of these people who were unemployed got jobs, thanks to three levels of government getting together.

I know the government says there are 40 reasons under which people can leave work and claim it as a just cause. Let me give an example. I cannot identify this constituent who left his job after three months because the company he was working for was doing something illegal in telecommunications.

Yes, the government says those would be moral objections: "Employer practices contrary to professional ethics, law, regulations or illegal activities contrary to fundamental ethical values". These would be just causes.

What does this constituent have to do now? First he has to write to Keith Spicer of the CRTC so that the CRTC can identify whether the actions are illegal or not. That will take at least six months.

An hon. member: Or longer.

Mr. Flis: Then it will go to the Minister of Employment and Immigration. That will take another three months. That is nine months this person is not working and not collecting UI. What do you think will happen to him, Mr. Speaker? He will be forced onto the welfare rolls. A professional person will be forced onto the welfare rolls. That is what this bill is doing.

I appreciate some of the amendments and motions that have been presented here. My colleague from Saskatoon—Dundurn went through all the motions so I do not have to repeat those. He put them on record, exactly what it is that we are debating.

Thank you for allowing me to put my concerns on the table. I would like to end up with putting my concern and tell this government to stop guillotining the debates in this House.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, for nearly eight years, the Conservative government has been telling us that it is trying to lead this country to prosperity. Unfortunately it seems to keep leading it to bankruptcy and, for many, straight to hell.

Unemployment is still rising and nothing seems to indicate that the trend will change soon. Of course, the government has an explanation, and as I said before, it always has an one. It is always other people's fault or it is worse elsewhere. That is some consolation for the thousands of jobless Canadians who see no sign of hope.

What about the level of poverty? The people whom the Conservatives are punishing with this bill are those who lost their jobs because of the recession which this government created, sustained and deepened. This government is cutting 3 per cent from the benefits of those who are in real need. The government's economic mismanagement has already cost the unemployed their jobs; now, they are being bled white a second time.

This government which is taking unemployment insurance benefits from those who lose their jobs as a result of misconduct is only giving bosses a most dangerous weapon. An employee can be dismissed for something insignificant, without recourse and especially, to the delight of some employers, without income. The door is open to all kinds of abuse and blackmail.

An employee could no longer risk complaining about questionable conduct, for fear of dismissal. Maybe there will only be one such case of abuse, but that would be one too many. Canadians deserve more respect.

• (1225)

[*English*]

Instead of helping the unemployed with a social safety net this government is shoving them through the cracks.

The Conservatives are making it difficult for people who have been discriminated against in the work place. Victims of racism or sexual harassment might be reluctant to issue complaints for fear of being denied access to UI benefits. The government has made it very difficult to cite these serious problems.

The measure dealing with just cause will discourage legitimate complaints about sexual and racial harassment as well as complaints about substandard working conditions. Immigrant women, who most often end up working in the worst conditions with the worst wages, will be far more vulnerable than they are now because of these changes.

Instead of proposing a system that actually combats the real problem the government is going ahead with a cynical political move that will hurt the very people who need protection.

If this legislation passes I can guarantee that the results will be an administrative nightmare. Thousands of people will appeal the automatic denial of benefits.

In 1991, almost 200,000 UI applicants were held to have quit their jobs without just cause and were already penalized by the existing system. Almost 20,000 of these rulings were overturned by either the internal review or the board of referees. The possibility now exists that 10 times that many will appeal. I cannot imagine the system being able to cope with that volume and still deliver fair and equitable decisions.

I know that the government has disbanded this organization, but in 1991 the Economic Council of Canada said that people who quit their jobs are not a drain on the UI fund. When we look at the 1986 figures, we see that half of all job quitters went to another job immediately and another 43 per cent found new jobs within 10 weeks.

These proposals will hurt the people of my riding and the people of the province of Quebec. At a rally in Montreal last month thousands of citizens demonstrated against these changes to the UI fund. Because this government no longer contributes to the UI fund it should not act without consulting Canadian businesses and Canadian workers who actually pay into the fund.

Statistics suggest the actual number of people quitting their jobs has declined as this government intentionally brought Canada into a recession.

In September 1988 at the height of the economic cycle more than 31,000 Canadians quit their jobs. In September 1990 the number fell to 26,000. Last fall the number stood at 16,700. It is plain to see that Canadians are not likely to quit their jobs for frivolous reasons, especially in these tough economic times. All the Conservatives have been able to do is remove a great deal of flexibility from the labour force.

The actions of this government simply do not make any sense. You do not pull the safety net out from under people and impoverish them as they seek to make the change from one job to another. The government is just shirking its responsibilities and forcing other levels of government to take over the problems.

In some jurisdictions those denied UI benefits under the just cause proposal would not automatically qualify to collect social assistance. Municipalities in some of our provinces have the discretionary power to adjust or delay receipt of social assistance benefits for people who quit their jobs. It is unlikely that individuals would be eligible for social assistance immediately or while they plead their cases through the appeal process, as they have to deplete their savings or be almost penniless to qualify for these benefits.

Canada used to have a compassionate unemployment insurance system. Most G-7 countries pay UI benefits to voluntary leavers. Japan, Italy, Germany and the U.K. all have penalties for voluntary quitters but they do not deny all benefits. Only this heartless government would do that.

[*Translation*]

How will these proposals help 130,000 young Quebecers find the work they need for their future and the future of their province and our country?

• (1230)

All this law does is punish the unemployed for this government's inefficiency. We need programs to help the people of Saint-Laurent—Cartierville find permanent employment. We in the Liberal Party are proposing a new direction for the Canadian economy that would put Canadians back to work. If the Conservatives can no longer lead, we are ready to meet the challenge.

[*English*]

Just before closing, I would like to quote our critic when he said: "If the government is serious about controlling its spending why does it not scale down or cancel its plan to spend $4.4 billion on a submarine-hunting helicopter? If the government is serious about wanting to put its financial house in order, why does it not go after the $16.1 billion that Canadian companies have hidden in tax havens such as Barbados, Cyprus, Liberia and elsewhere?

The fact is that this government has no clear plan for controlling its spending and now the most vulnerable Canadians are being forced to pay for its economic mismanagement. The government has a moral responsibility to show Canadians how it intends to prepare our nation for the future. With this bill it has abdicated that responsibility".

That is a quote from our critic, the hon. member for York North.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise on behalf of my party, the NDP, to speak on this bill.

You will notice that the government is not defending the bill today. It is not even listening to a number of very serious amendments that have been put forward by the member for Timmins—Chapleau who is trying to take a bad bill and make it a little less so. He has a number of amendments which I am going to speak to in a moment.

Where is the government? It is not doing anything on this bill. The member from Nanaimo spoke for the NDP a few minutes ago and went into the general causes of the economic recession. He accused the government of taking out its inability to put the economy back on a sure footing in this country by tackling the poor and the working stiffs. That is what this government is doing and what this bill does.

We heard the NDP member for Brant speak earlier. He is the critic for the Solicitor General and he said criminals have more rights now than the poor claimants under unemployment insurance. He pointed out that in criminal law a person is innocent until proven guilty but in this system which, as he pointed out, is an insurance system the onus of proof is reversed. We are now making it harder and harder for the ordinary working stiffs to get unemployment insurance after they lose their jobs.

My constituents are in Port Moody—Coquitlam, a suburb of Vancouver, British Columbia. Many of them are working, but many are concerned about losing their jobs. When they lose their jobs and go on unemployment insurance—which they have paid into and are paying a heck of a lot more money into thanks to this government—they want to be able to collect. They want the system to operate in a hassle-free way. I will return to that in a moment.

It was interesting to hear members of the Liberal Party speak to advance some policy. Today is Tuesday so the policy is a little different than it was on Monday, but on Wednesday it will be different again. Canadians are beginning to see that the party is self-destructing inside. They are also beginning to see the Liberal Party members on every side of every issue. It is amazing. Now they are wetting their pants, if I might say so, because the Conservatives are changing their leader. It is pretty pathetic. When I heard the member for Parkdale—High Park speak I thought how pathetic that party really is.

The member for Timmins—Chapleau has suggested a number of amendments. I draw this to the attention of the House and the government.

• (1235)

Motion No. 7 would replace the phrase "reasonable alternative". The claimant had no reasonable alternative to leaving employment. Motion No. 7 would replace that phrase so just cause for leaving employment exists "for any of the following circumstances applied to the claimant". It goes on to deal with that. I challenge the government to look at this amendment seriously and agree to it if it wants to help the ordinary working person in this country.

Motion No. 8 adds reasons for just cause bringing the total to 40, which the government claimed and talked about. There it is. Yet the government does not seem to be prepared to accept it.

Motion No. 9 places the onus of proof on the commission and establishes that the benefit of doubt that is beyond reasonable doubt goes to the claimant. As the member for Brant said, why should it be easier for a criminal than a claimant? When in this country are we going to stick up for the ordinary working person?

Motion No. 10 clarifies that a common-law spouse is a spouse under the act. Just on that particular motion, it is not clear now what a common-law spouse is. Here is the decision by an umpire dated in Ottawa on October 2, 1992 concerning the case of Ms. Frances Barzan. The umpire says:

> If Parliament, in its wisdom, wanted to include, and I believe it should be so included, that it would be "just cause" to quit one's job to follow a "common-law spouse" Parliament would have so stated in the statute. Parliament has failed to do so and it is not for the umpire to do so. It is not for an umpire to expand the meaning of the word—

But he says he thinks Parliament should. Well here is the amendment. Here is the chance. What is the government waiting for? It should jump at the chance. That is what one of our amendments here deals with.

Here is another decision. I will not cite the name of the applicant, I will just use the initials, E.H. It is a decision by the Federal Court of Canada, Mr. Justice Muldoon, arising from an appeal from Hamilton, Ontario on January 11, 1991. He says this is, and I use the judge's words, "a pathetic case". The poor guy has had to live on the job site to work seven days a week. His back is gone. He leaves his job and Mr. Justice Muldoon makes sure he is allowed an appeal. He deals with it and says he only has to wait one week. Now with this new legislation that is gone. The poor guy would not get UI.

This bill is a tragedy. This is in fact taking it out on ordinary people.

I want to take a little different tack. I have gone through the number of motions. This is an insurance scheme. People pay into this and they pay a lot into it. We MPs, and I think I speak for a lot of members in the House, are getting more and more phone calls in our ridings. My riding office in Coquitlam today, as I speak, is getting phone calls about people whose cheques are delayed, who are not getting it or have to appeal and so on.

We treat these issues as priorities. Just think of the people trying to support their families. They go on UI and have no money even though they have paid into it. They do not want to go to welfare. They want to get their UI quickly and get back to work. They have paid for their UI, so we treat this as a priority in my riding and in other ridings.

We are lucky because we have a phone line to UI. We phone and try to get the case brought forward and so on. It occurs to me that politicians and this government are so unpopular, in spite of the little blip in the polls right at the moment, because they are not working for people any more.

You do not have to be a rocket scientist to analyse this. It is a simple thing like not getting your UI cheque on time, not being treated right and being faced with an impossible bureaucratic appeal process. In immigration it means not having a chance to bring your relative over

for the wedding because the visa is delayed. It means the post office. You cannot believe the number of complaints I get every day about the way the post office is working.

This is not complicated. It is just simply making government work for people. That is what people want. They pay for it and they want government to deliver on it.

• (1240)

I want to say this to the employees of the unemployment insurance and immigration offices. I appreciate that they are under stress and they are under strain. They have been cut back by the government and we have 11 per cent unemployment. They have more and more people coming to them. It is tough to provide good service. I know they try very hard.

I also know that they have one of the worst ministers that I have ever seen in the job in my 13 years in Parliament. He is a little blow-hard who thinks he is a mini-Mulroney. He is an ineffective minister. I would not want to work in his department. It must be very tough. I think he is pretty ineffective. I am speaking of the Minister of Employment and Immigration.

The other reason it is hard for the Public Service employees in these offices is that there is a continued attack by the Conservative government on the notion of government. It wants to leave it all to the private sector. It says that government itself is bad. It pulls the wool over the eyes of people.

I say to Canadians and to this House, let us wake up and realize that what people want is government to work for people. Here we are making a UI system that is going to be even harder on people. We have a recession. We have problems with the government deficit. Instead of dealing with the deficit, instead of dealing properly with government spending and waste, instead of dealing with putting people back to work and dealing with the problems of interest rates, a proper trade policy and a proper taxation system so that the middle class does not get burned and burned, what does this government do? It ends up attacking the worker and the poor stiff who loses his or her job and makes it hard to collect UI.

I suggest the government look at these amendments seriously.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I have just a few words on this bill and the amendment before the House.

It is a very serious matter to try to figure out what would be a good reason for quitting employment, what would be just cause. You might think, Mr. Speaker, that something would be a good reason or a just cause and I may not think that would be a good reason or a just cause. It is a very serious and complex matter.

We have had a system in effect in Canada that has scales of penalty. I would argue in my 10 minutes that that is necessary under our system. What we have is a board to hear your appeal. We have a judge to hear your appeal if you are not content with the board. You have the law and you have members of Parliament here in this House.

I will just take the board for a moment. I was looking at some of the most recent cases under just cause. I looked at a case where a fellow had quit his job in Brandon, Manitoba and had gone to British Columbia because he was not getting very much work during the week and was being paid the minimum wage. The Unemployment Insurance Commission said: "No, you cannot collect your unemployment insurance". He appealed it to the board.

Look at what happened at the board level. At the board level he produced further evidence. What was the further evidence? He advised the commission that he faced imprisonment for 90 days because he did not pay his traffic tickets. He had so many driving offences in Manitoba that he decided to move to British Columbia.

What did the board say to that? It is incredible. The board of referees took the new evidence into consideration and found that for a young man to face a jail sentence was a very frightening prospect and felt he had no alternative but to quit his job, leave his family and friends to avoid prosecution, so therefore he qualified for unemployment insurance. That is the board that the government talks about as such an expert. What it was doing was trying to figure out whether this fellow had a good reason for leaving Manitoba.

Can you rely on the judge? Look at the recent case of a judge who in 1992 sat in judgment of a lady who had quit because of religious convictions. She was working. Her shift had been changed so she had to work all during the day. It was against her religious convictions to work on that day.

• (1245)

A judge can only deal with the law, can he not? The judge made a ruling. He said: "Look, the fact that I might have been persuaded to have come to a different conclusion, had I been trying the matter in the first instance"—but he was not, the board was. What was his conclusion? "While I have the utmost sympathy for the claimant and respect for the undoubted sincerity of her religious convictions, I am nonetheless obliged to dismiss her appeal". The judge knew that it was wrong. You cannot depend on the judge, can you, in certain cases.

Can you depend on the law? When you walk in, you have got just cause. The law says: "You can appeal this to the board of referees if it based its decision on a misinterpretation of the facts". That is not what is in the law. That is what you were given when you got to the Unemployment Insurance Commission. What is in the law?

The law says: "If the board made an erroneous finding of fact in a perverse or capricious manner", a perverse or capricious manner. That is the law. It is not this that is given to an unemployment insurance claimant. A perverse or capricious manner, go and argue that. Tell that to somebody who cannot get their unemployment insurance. They are trying to figure out: "Do I have just cause? Did the board make a decision in a perverse—". What does perverse mean? Perverse, wicked. A capricious manner, was it a whim?

Can you depend on the law? No, you cannot depend on the law. Can you depend on members of Parliament? Looking at this most recent case here under just cause, it deals with misconduct. This guy was fired for reporting his boss, his supervisor, who he claims was stealing things from the company. The appeal was dismissed. He was fired. The board said: "It appears this type of personal work in the company premises has been condoned in the past" and held that the action of the claimant amounted to misconduct because there is no definition of misconduct in the act. You cannot appeal all those cases on misconduct.

Let us get to the heart of the matter now. Can we really depend on members of Parliament on voluntary leaving with just cause? Here is a ruling of a fellow who had serious nosebleeds, health reasons. Silica dust in a plant was causing him nosebleeds. The judge ruled this and the board and the commission: "The jurisprudence is clear that an employee does not have just cause for leaving unless he has other employment to go to or conditions of work are intolerable with no possibility of them being remedied".

Certainly not turning up for work without even advising the employer is unacceptable. Because he left, because he was having nosebleeds and did not follow through on the remedial action, he has no case to anybody, to the board, to the judge, to anybody.

Finally, where are we in this Chamber? Look at perhaps the most recent case of just cause in which a chap was dismissed for accumulating demerit points. It was deemed that he was dismissed properly. The case went to the courts. The court ruled that he was innocent. Meanwhile, he had lost his unemployment insurance. Now, he is out in the cold.

The law says that the employer had just cause because of this, this and this which was not proven. When a court of law says: "No, that is wrong; there was no just cause", there is nothing in the act to then go back and say: "Give that poor man his unemployment insurance".

• (1250)

In conclusion, let me say that we are dealing with human beings who are applying for unemployment insurance, human beings at the board level, human beings in the person of judges of the Federal Court. What can we expect a judge to do? A judge can only follow the law as it is written and interpret it under jurisprudence that has been determined over a period of time. Finally, we are dealing with human beings who make the law. That is where we fall down in this bill. We have to realize we are dealing with human beings at all levels who can make mistakes.

The law must be flexible enough so that people do not get an unfair deal or an unfair hearing. Certainly let us recognize that the boards are not perfect by any means. Neither are the judges and neither are members of Parliament.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I would like to thank my colleague from Newfoundland who put all of these excellent cases before the House. I hope the government has listened to his arguments and will use them as a basis for returning this bill to its own tables or

scrapping it altogether. If it is determined to proceed with the bill, it should look at those points and try to amend the bill in a way so that its impact on people will be negligible.

For those who are interested, we are debating the UI bill which deals with the question of reduction of unemployment insurance payments from 60 per cent to 57 per cent effective April 1, 1993.

There is a second segment to the government proposal that deals with people who might quit their job without just cause. Those people will no longer qualify for UI benefits.

As my colleague from Newfoundland has indicated, it is extremely difficult at times to justify what is just cause. We are really going against the basic principles of our justice system that the accused is innocent until proven guilty. The government is reversing this principle when it comes to the unemployed. In other words you have to prove you are not guilty. You go before the board with the assumption that you are guilty and have to prove your innocence.

Perhaps we should look at the question of the board that will be looking at what is just cause and what is not just cause. In 1991 more than 191,000 cases came before the board. The board was able to deal with about 19,000 cases and was able to reverse those cases.

If the government is to proceed with Bill C-113, all we are going to see is a tremendous increase in the number of people who will be appealing their cases before the board trying to justify leaving their place of employment.

The government has been saying over and over again that it is taxpayers' money involved when it comes to the payment of premiums. That is not quite so. The government used to make contributions to the UI account until the year 1990. After that it became the responsibility of both the employee and the employer.

What will be the impact of this bill if it passes? The unemployed will not disappear from the face of the earth. However those hoping to collect unemployment insurance will have to go to another source for income. That is the social welfare system. By passing the UI bill the government is unloading or passing on the responsibility to another level of government, the municipal government.

• (1255)

The people we are talking about are supposedly the quitters. I am going to take one example from here in our city. We have an unemployment rate of approximately 30,000 people. Of those 30,000 people, approximately 6 per cent or 1,800 people have quit their jobs.

If this bill is passed does it mean that these people will not be eligible to collect UI benefits? The cost would be in excess of about $30 million annually. That money would be taken away from our region. The result of this would be that more people will have to rely on the social assistance benefit. As well, when you add to that the reduction of the benefit from 60 per cent to 57 per cent then you will have an addition to the $30 million of quite a few millions. All of that money has been taken away from the local tax base.

It has been the position of the Liberal Party and members of the opposition that the government has to address the heart of the problem which is the question of unemployment. Rather than attacking the unemployed, why do we not focus on employment and on measures to stimulate the economy so we will have more jobs?

The whole idea behind proper employment initiative programs is to promote labour flexibility and mobility. After all, it is unemployment insurance. It is an interim measure that has been put in place in order to help employees move from one job to another. It is only fair that such a measure is mobile and flexible. It has been put in place in order to meet the objectives.

I see we are getting close to one o'clock. I want to leave the House with one thought. Every time we deal with a situation in this House it always seems to be a question of reacting rather than a question of preventing something from happening.

Most of the bills that I have seen over the past four years have been reactive bills. One would suggest that they should have been preventive bills that would stimulate the economy and help reduce the unemployment rate or create jobs. This bill obviously is no different.

For the sake of 1 per cent of the work force that is quitting their jobs or abusing the system the government has put everybody in the same basket. We will not be supporting this bill. It is my hope that the government will review its decision in light of all the comments and recommendations that were made by our caucus and by the community as a whole.

Mr. Samson: Mr. Speaker, I rise on a point of order.

Given the hour, I wonder if we could have consent from the House to call it one o'clock. We do have other members who want to speak.

[*Translation*]

Mr. Robitaille: Mr. Speaker, on behalf of the government, we would be prepared to give unanimous consent, if our colleagues in the Liberal Party agree.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I do now leave the Chair until two o'clock, pursuant to Standing Order 24(2).

At 12.59 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

RACISM

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, during the three years she served in the Department of Justice the member for Vancouver Centre did nothing to fight groups which promote hatred or hate propaganda.

[*English*]

It takes political will to fight racism. We cannot afford the luxury of doing nothing, like the former Minister of Justice who now hopes to be Prime Minister.

The government's own estimates show that the March 21 anti-racism initiative is ineffective. At the same time, the government has cancelled the Race Relations Foundation, slashed anti-racism funding, and has completely ignored the issue of hate or bias crime.

It is time to take these threats seriously. The former justice minister ignored the problem. I hope this one will not.

* * *

BARRIE WELCOME CENTRE

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I rise today to applaud the efforts of the Barrie Welcome Centre. As a community service of the Barrie YMCA the Barrie Welcome Centre assists the settlement of immigrants into the Barrie area. In four years the centre has smoothed the cultural transition of over 1,300 immigrants who have come into Simcoe Centre.

The centre provides services such as translation, help with government and legal documents, information on local social services, health care, housing, employment and recreation areas.

The priority of most newcomers is to obtain a working knowledge of English. Currently it provides English grammar lessons to over 60 enthusiastic new Canadians.

Small things like these services provided by the Barrie Welcome Centre help everyone understand our cultural differences. These first steps of understanding will go a long way toward eliminating racism and helping to create a united country.

* * *

PAKISTAN

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the minister of minority rights in Pakistan, His Excellency Peter John Sahotra, is now visiting Canada for a few days.

Canadians urge him to ensure maximum protection in Pakistan for Christian and other religious minorities. We hope good relations between our countries will not be marred by an increase in human rights violations in either country.

The Christians, who are less than 1 per cent of the population in Pakistan, were there before the state of Pakistan was founded and have their roots there. Nevertheless, recent violent mobs have attacked Christian clerics and churches, prompting cancellation of some Christmas services.

S. O. 31

News reports indicate that Christians in some cases have been killed or sentenced to death on false charges of blasphemy against Islam.

We congratulate the Government of Pakistan for abandoning plans to show religious affiliation on citizens' identity cards, which would have opened the way for more discrimination against Christians in lodging and employment.

We call on the Government of Pakistan to fulfil its commitment to provide compensation to the churches that were damaged in riots last year and to provide adequate security in the future, rather than curtailing the rights and freedoms of Christians and other religious minorities.

* * *

[*Translation*]

THE ECONOMY

Mr. Marcel R. Tremblay (Québec–Est): Mr. Speaker, the government has a strategy which will foster economic recovery, and pave the way for the future and will control the deficit. It depends on private sector support, because the private sector will guarantee our future growth.

We know that just stimulating public spending in the hope of stimulating growth does not work. We have many examples of countries that tried to escape the realities of the world economy. Many times we saw them try to throw money into ill–conceived public investments and poorly designed job creation programs. Many times they have had to retreat, cut spending and get their finances back in order. This has happened in France, in Great Britain and more recently in Ontario. Why would the opposition recommend policies that have always failed?

Look around the world and see the countries which are prosperous. They are not the ones which tolerate inflation, close their markets to trade or accumulate deficits by spending on make–work projects. This government would prefer to learn from those success stories. Why is the opposition always ready to repeat failures?

• (1405)

[*English*]

TAXATION

Mr. Maurice Foster (Algoma): Mr. Speaker, municipalities across Canada are being hit hard by the decision of the Minister of Finance to freeze their grants in lieu of taxes at the 1992 level this year.

This drastic action will cost municipalities $40 million this year as they try to cope with rising costs for welfare and other municipal services. Other municipal taxpayers have to pay the increase in their municipal rates this year. Many of these municipal taxpayers in the Algoma riding are unemployed. Yet if they do not pay their taxes the municipality will seize their home and their property.

Why should the federal government be any different from other taxpayers? That is why this very high–handed move by the federal government places an unfair additional burden on municipalities.

I call on the Minister of Finance to reverse this decision immediately, remove the freeze on municipal grants in lieu of taxes and pay taxes just like any other taxpayer.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, a complete environmental review process was put in place with respect to the Lester B. Pearson International Airport and its expansion. The committee held extensive hearings and completed an interim report in November 1992.

The government has totally disregarded that report and has decided to build a major 8,000–foot runway 4,500 feet west of the existing north–south runway. This new runway will create a new air traffic corridor over homes, schools and the Queensway Hospital, facilities that until now have had no air noise.

The environmental review report said the buildings and homes that are seriously affected should be compensated and retrofitted with anti–noise baffling. The minister has refused to do this and refused to do anything to protect homeowners threatened by the new air corridor

and is moving in total disregard of the environmental review process.

I call on the minister and the government to change their course of action.

* * *

SUDBURY, ONTARIO

Mrs. Diane Marleau (Sudbury): Mr. Speaker, on March 20 in an article by Jane Taber in *The Ottawa Citizen* on the upcoming events scheduled for the Minister of National Defence it was noted that she would spend the evening at the Juno awards. Then it said: "It beats spending Sunday night in Sudbury or the North Bay legion hall wooing potential delegates".

Legion halls can be a source of much inspiration and education. Legionnaires are wonderful Canadians who care for their country. Those of us who have not participated in past conflicts can learn a lot from their experience.

As for Sudbury, it is a wonderful place in which real people have got together to overcome adversity. *Chatelaine* magazine included Sudbury as one of the 10 best Canadian cities to live in. Sudbury has achieved recognition for its environmental programs. The people of Sudbury have worked to diversify the economy of the area and have been and continue to be successful at it.

Unlike other levels of government Sudbury is debt free. Many would benefit from the Sudbury experience. It is a great place to visit and it is an even greater place in which to live.

Mr. Speaker: The hon. member from another great place, Delta.

* * *

HELP FIGHT LIVER DISEASE MONTH

Mr. Stan Wilbee (Delta): Mr. Speaker, it is my pleasure to remind the House that March is being proclaimed Help Fight Liver Disease Month by the Canadian Liver Foundation. I might add that I was going to get the member for Mississauga South to read this.

The foundation, the first organization in the world exclusively devoted to providing support for research and education on the causes of liver disease, aims to reduce the incidence and impact of all liver-related illnesses. Among its many other services it develops support groups for the sufferers of liver disease and their families.

During the month of March the Canadian Liver Foundation's volunteer chapters will sell daisies and daisy items from booths across the country. I am sure the House will join me in congratulating the foundation on its work and in wishing it every success during Help Fight Liver Disease Month.

* * *

YUGOSLAVIA

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, Canadians are horrified by the atrocities that have been committed in the former Yugoslavia. Rape, torture and death have been inflicted on tens of thousands of women in that war-torn region.

• (1410)

I have in hand petitions signed by over 1,000 people in my riding calling on this government to pressure the United Nations into action. The latest reports indicate that the UN has yet to make a credible response.

Delegates to a war crimes tribunal conference have questioned the international political will to bring the perpetrators of these heinous crimes to justice.

Canadians think with honour and pride of our vaunted international peacekeeping tradition. We provide peacekeeping troops to prevent the very atrocities we know war will inevitably bring. We must now use our peacekeeping traditions to strengthen international resolve on war crimes.

I call upon the Secretary of State for External Affairs to use every effort to convince the UN to provide adequate funding for the investigation and trial of war criminals.

* * *

CORRECTIONS AND CONDITIONAL RELEASE ACT

Mr. Doug Fee (Red Deer): Mr. Speaker, recent changes to the Corrections and Conditional Release Act were intended to tighten up parole eligibility for those convicted of violent crimes. However, loopholes in the parole system are thwarting our attempts to protect the public from violent repeat offenders.

Last week Albertans learned that because of the practice of sentence merging a convict on parole who reoffends has his new sentence added to his old sentence for parole purposes. Time served on the first offence counts as time served toward parole on the second.

A convicted rapist in Edmonton sentenced to 15 years will be eligible for parole in only 18 months. If he had reoffended after his parole was completed the earliest he would have been eligible for parole would have been the year 2000.

We must ensure that the justice system works the way it is intended to, and the way Canadians expect it to. In the case of violent offenders, sentence merging for parole purposes must be stopped.

* * *

IRANIAN NEW YEAR

Mr. Jim Peterson (Willowdale): Mr. Speaker, March 21, the first day of spring for Canadians, is celebrated by Iranians throughout the world as the first day of their new year, or *Nowruz*, meaning new day. This secular observance of the start of the Persian calendar, the arrival of spring and the renewal of life on earth has continuously taken place over the past 2,500 years.

Iran, formerly called Persia, is one of the world's most ancient civilizations. Recent political events in that country have caused many Iranians to leave their homeland and resettle around the world, including in Canada where we have benefited much from the rich heritage of their traditions, values and ideals.

Members of this House wish a happy *Nowruz* to all Canadians of Iranian descent. We welcome not only their celebration of this time of renewal but also their contribution to Canada's national cultural mosaic and to our way of life.

* * *

CANADA–UNITED STATES FREE TRADE AGREEMENT

Mr. Ken Monteith (Elgin—Norfolk): Mr. Speaker, some of my hon. friends in opposition from the Windsor area have had nothing but ill to say of the Canada-U.S. Free Trade Agreement since it came into effect. Perhaps I could point to some major projects in their area that the companies involved say can be attributed in large part to an increasing flow of Canada–U.S. trade since the FTA and forecasts of even greater growth under NAFTA.

There have been $25 million in improvements to the Canadian side of the Ambassador bridge, and another $75 million on the U.S. side; $28 million will be spent upgrading the inside of the Detroit–Windsor tunnel, and another $25 million will be spent refurbishing the plaza on the Canadian side; $38 million is being spent to enlarge the CN–CP railway tunnel; a $100 million expansion of Sarnia's Blue Water bridge will be started in 1995; and there are also CN's plans for a new railway tunnel between Sarnia and Port Huron.

That is more than $290 million in investments in Canada's trade infrastructure in the Windsor–Sarnia area. Perhaps my hon. colleagues would like to comment on the jobs that investment is creating and will create in Canada.

* * *

NATIONAL PAROLE BOARD

Mr. Tom Wappel (Scarborough West): Mr. Speaker, the Prime Minister's recent patronage appointments to the National Parole Board have further reduced the level of corrections experience held by National Parole Board members. In fact, the percentage of board members with such experience has declined from 85 per cent in 1977 to 40 per cent today.

National Parole Board members make life and death decisions every day and as such require experience in the criminal justice field. Without such experience, their decisions may unnecessarily place Canadians at risk.

The 1988 Daubney report of the Standing Committee on Justice and the Solicitor General said:

> The board can only be as good as its decision makers. If those who are appointed as decision makers do not have the requisite qualifications or experience, their decision making is unlikely to be as effective as it should be.

• (1415)

I call upon the Prime Minister and the Solicitor General to re-examine the process of making these appointments and to put the safety of Canadians first instead of delivering million dollar farewell gifts to Tory supporters.

SPORTS

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, Olympic gold medalists Kerrin Lee-Gartner and Mark Tewksbury were chosen outstanding Canadian athletes by the Sports Federation of Canada last night. Lee-Gartner of Calgary won the Velma Springstead award as Canada's female athlete of the year. Tewksbury, also of Calgary, took home the Norman H. Crowe Award as the top male athlete.

Several other Canadian athletes were also honoured at the federation's annual awards banquet. The gold medal winning women's eight rowing team from Barcelona was team of the year. Nicolas Gill of Montreal won the Viscount Alexander award as top junior male athlete. Nancy Drolet of Drummondville won the Elaine Tanner award as the top junior female athlete.

A friend and colleague, Alwin Morris, was also awarded the Johnny F. Bassett award for exemplary community service, a recognition for all his work in developing indigenous sports programs helping youth across Canada.

I ask the House to join me in congratulating all these outstanding Canadians, athletes who in their own special way have always made us proud to be Canadian, and the Sports Federation of Canada for its work and recognition.

* * *

WATER DIVERSION

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, unfortunately the provincial government in Manitoba is planning to continue with its proposed Assiniboine River water diversion.

According to the Supreme Court ruling on the Oldman Dam case in January 1992, the federal government may do an environmental review when there is an affirmative regulatory power involved. The Minister of the Environment confirmed his acceptance of this view when I asked him about this in May 1992.

The fact that federal funding for this water diversion comes from the western diversification fund and the prairie farm rehabilitation administration, that the Assiniboine is a navigable river, that aboriginal land will be affected, and that irrigation in one region is being favoured over potable use in another, gives the federal government plenty of jurisdiction and responsibility for a proper assessment.

A basin-wide review is necessary to study the cumulative effect of this development. There will be a reduction in the amount of water and an increase in the concentration of chemical pollutants already in the river from agricultural run-off and industry, namely from the American based pharmaceutical company, Ayerst.

I call on the Minister of the Environment to live up to the image he is fond of projecting in his leadership campaign and order the assessment.

ORAL QUESTION PERIOD

[*English*]

RUSSIA

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Prime Minister.

We know that President Yeltsin has not yet asked for a change of venue for the meeting in Vancouver in 10 days, but today the Deputy Prime Minister of Russia said: "We will prepare this meeting to take place in Moscow. This will be a symbol of support for our country".

In light of the statement of the Deputy Prime Minister of Russia, will the Canadian government indicate that Canada will not be offended at all if the United States and Russia were to move the venue to Moscow?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated yesterday that we would not in any way be offended at all if the venue were moved anywhere that would benefit the bilateral arrangements and the support for President Yeltsin and his democratic reform.

We are happy to make all the arrangements to accommodate both parties in Vancouver. Should either or both decide that it could best be held and more advantageously be held for President Yeltsin elsewhere, we would be happy to accommodate that.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I have a supplementary for the Prime Minister.

Yesterday in Chicago the U.S. Secretary of State argued in favour of an aid package that would be better targeted and better co-ordinated by western countries. Mr. Christopher also said that to achieve this a meeting of Group of Seven finance ministers and foreign affairs ministers should be held as soon as possible.

Would the Prime Minister agree that this meeting should preferably be held before the meeting between President Yeltsin and President Clinton, and that it would be advisable to try and organize a meeting early next week to pave the way for the meeting scheduled between the two presidents in Vancouver or Moscow?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am aware of what was said by Mr. Christopher yesterday in Chicago.

• (1420)

Perhaps I may point out to the Leader of the Opposition that on May 21 last year I said the following at John Hopkins University in Baltimore, and I quote: "I believe that so far the west's collective response has been hesitant and timid and certainly not commensurate with the needs and opportunities that are out there". I was referring to a collective response by the west to the problems of President Yeltsin and to opportunities in the former Soviet Union. That was my government's position a year and a half or two years ago, and it still is today.

In fact, earlier today I received a call from President François Mitterand of France who shared this opinion and who believes, as I do, that the problem is a complex one and that if there is a change of plan with respect to a bilateral meeting, it may be useful for G-7 members to consider a meeting of heads of government or heads of State. The problem is so important and so complex that it requires political leadership by heads of government. That is President Mitterand's position and it is also the position of the Canadian government.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my supplementary question is for the Prime Minister.

I would like to know from the Prime Minister if it is the intention of the Canadian government to make sure that there will be a linkage between the aid packages and the maintenance of a democratically elected government in Russia.

We would like to know if the aid will be linked to democracy or separated. It is very important to know so that there will be pressure on the people in Russia to make sure that they maintain a democratically elected government in that country.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the link must be direct, evident and ongoing. In the same speech at Johns Hopkins University at the commencement exercises on May 21, 1992 I indicated that it was time to unite the people of the former Soviet Union with democrats everywhere.

The first step is to complete the integration of the countries of the former Soviet Union into the global economic system. This refers to IMF, World Bank membership, the creation of stabilization funds, individual technical assistance programs, and the coming together of the G-7 with a view to dealing with this fundamental problem.

My friend and I have discussed in the past how much Canada, the United States and other G-7 countries would have paid had the leader of the Soviet Union said 15 years ago: "I am ready to get out to disband the Warsaw pact. We are going to facilitate the unification of Germany. We are going to bring about a democratic system in Russia and the Soviet Union and end the cold war".

What would the G-7 countries have been ready to say at the time? They would have said: "How much can we provide, when and where?"

The absence of this kind of response is why I said at Johns Hopkins that the western collective approach thus far had been timid and lacking in daring and responsibility. I think the time has come, even at this late hour, for us to respond in the manner suggested by my hon. friend with a profound linkage to democratic institutions and democracy itself in Russia as best exemplified by the

maintenance of President Yeltsin in office as the only elected head of government in Russia in a thousand years.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Prime Minister.

It was reported in *The Winnipeg Free Press* today that the Minister of Agriculture indicated that the government is considering spending an extra $80 million to make up the shortfall of 500,000 tonnes of grain promised or committed to Russia last June.

Is the government simply going to unfreeze the credit system that was arrived at last June? Are we planning to spend an extra $80 million to fulfil the previous commitment? Or, are there going to be new commitments made for new grain assistance to Russia?

If I might ask as well, is the government considering altering the charter or the legislation of the Wheat Board to allow it to engage in direct barter arrangements with Russia in order to facilitate the grain trade between the two countries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in regard to the question raised by my hon. friend, 523,000 tonnes out of 1 million tonnes of the grain shipment agreed to in June have already been shipped. Shipments were temporarily suspended simply because Russia was paying some creditors in hard cash and not honouring some commitments to Canada.

• (1425)

Had all of us been placed on the same footing there would have been no difficulty. But I have had discussions with President Yeltsin about this. The matter is satisfactorily resolved and our expectation is we will be able to proceed.

I mention as well the question properly raised by my friend yesterday about the nuclear safety initiative, which was a $30 million commitment by Canada over three years. Approximately $8 million will be disbursed in this fiscal year honouring that commitment.

Technical assistance in general, which is a very vast and I think constructive program between Canada and Russia with a wide range of projects, is well under way in some pretty impressive people-to-people ways. I give my hon. friend one illustration: 700 Russian oilfield workers and managers are being trained as a result of Canadian assistance in safety and petroleum production. With the assistance of Canadian community colleges funded by Canada the training programs at three Russian oil and gas institutes are being significantly upgraded with 20,000 Russian students benefiting from Canadian expertise delivered at the ground floor level.

If we multiply this kind of technical assistance program perhaps dozens of times we get an indication of what Canada has been seeking to do.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the Prime Minister was quoted yesterday as saying that they are now looking at another aid package that might be part of a larger commitment, and I think he indicated there have been some initial discussions.

Given that Canadians share this deep concern about the seriousness of the situation in Russia, but also knowing that we live very much in a time of constraint, I think it is clear that any new initiative should have the support of the public as expressed in this Parliament.

I want to ask the Prime Minister if the government would commit to full parliamentary consultations on any new aid or assistance package so there can be a consensus on what Canada can do to assist the people of Russia, so we can determine where the money will come from and what purposes will be served.

The Prime Minister would agree it is important at this time to have full agreement and consent of the people of this country as expressed through all their parliamentary representatives.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I certainly agree with the suggestion of my hon. friend that a parliamentary debate on this matter would be very appropriate. Obviously the government would be happy to lay its plan in this regard on the floor of the House of Commons. My hon. friend can comment on it, approve it, criticize it and do all the things we ought to do in a parliament.

When one looks back at the Marshall plan and the extraordinary success it had in rebuilding Europe and in maintaining vibrant democracies throughout European countries that had once been devastated, when one considers the extremely modest contributions, relatively speaking, being sought for the former Soviet Union and the timidity and the hesitation encountered in some G-7 and other industrialized countries, it is astonishing to see that this is actually taking place.

It is time for the leaders of the world in respect of this great challenge to stop thinking like bookkeepers and to think like statesmen and visionaries because that is what is required in regard to the former Soviet Union and democracy in Russia.

* * *

THE ECONOMY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Finance.

The Governor of the Bank of Canada today put forward his sixth annual report wherein he said, not surprisingly, that debt reduction should be an important priority.

I want to say to the Minister of Finance that this is the same Governor of the Bank of Canada who raised the interest rates in order to control inflation. For every point those interest rates were raised $1.5 billion was added to the debt and that high interest rate policy created record bankruptcies among farms, individuals and businesses. It is the same Governor of the Bank of Canada who deliberately created unemployment in Canada.

I want to ask the Minister of Finance if he is not shocked that the Governor of the Bank of Canada does not see the failure of these policies after six years and bring out a new directive. If not, will he bring in the Governor of the Bank of Canada and tell him it will be impossible to address the debt in this country as long as that governor supports 1.5 million unemployed in this country?

• (1430)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am shocked at the rationale that the hon. leader of the NDP is using.

I think she is a supporter of lower interest rates in this country. In order to have low interest rates you have to have low inflation. That is why we have today the lowest bank rate in 21 years and the lowest mortgages in 35 years. Why is the hon. member opposed to that?

I think the hon. member also recognizes that we have to get the fundamentals right. Today's *Ottawa Citizen* says: "Economic recovery ready to roll". Another headline says: "Recovery posts steady gain, analysts say".

Mr. Milliken: You have been trying for eight years.

An hon. member: It is 10 points down today.

Mr. Mazankowski: There we go again. No one likes good news over on that side of the House. Well, the news is improving, employment is improving, growth of the economy is improving, exports are improving, utilization is improving, housing sales are up and manufacturing sales are up. Why is the hon. member arguing with those results?

Hon. Audrey McLaughlin (Yukon): A supplementary question, Mr. Speaker.

It is clear that if this government and the Governor of the Bank of Canada had not had the kind of fiscal and monetary policy that has been in place in the last six years and had this government not doubled the debt in the last eight and a half years, we would not need these measures for the recovery that he is talking about. We would not need to have a bigger recovery because we would not have had as big a problem.

It is clear that this government and the Governor of the Bank of Canada had implemented for a number of years a monetary policy which led to a made-in-Canada recession. Two economic analysts both respected in Canada, Informetrica and WEFA, have indicated that we would have higher employment and a greater gross domestic product if interest rates had been kept lower at that time.

I say to the minister that it is his government's policies, supported by the Governor of the Bank of Canada, that created the problems. Will he bring in a budget to address the problem because the problem is the unemployment created by this government?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. leader of the New Democratic Party should get together with the premiers of the provinces of Ontario, Saskatchewan and British Columbia who recognize that deficits and debts are a serious problem in this country.

If she wants to talk about records in accumulating debts, I remind the hon. member that under the Liberal government the debt multiplied 11 times.

Quite frankly, as *The Toronto Star* pointed out: "The seeds of disaster were planted in 1975". That just so happens to follow that marriage of convenience that took place between the Liberals and the NDP between 1972 and 1974.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, no province ever signed a free trade agreement that cost the country more than 100,000 jobs, and no province created the excessively high interest rates that led to a record number of bankruptcies in this country.

I have a question for the minister. This country does not want any advice about the debt. What this country needs is specific steps to create jobs. How can the minister expect us to consider the debt problem when we have about 1.5 million unemployed in this country? How can we, with an unemployment rate of nearly 11 per cent?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, this is rather amusing. I find it strange that the hon. leader of the New Democratic Party would criticize policies like the free trade agreement and policies like the GST which are really the instruments that are driving the economy out of recession.

It is exports that are driving the economy. I know the hon. member does not believe in liberalized free trade. She believes we can build a wall around Canada and trade our way to prosperity. That is not the way we feel about it. The fact of the matter is the trading initiatives, thanks in large part to the free trade agreement, and in large part the contribution of the GST in improving the competitiveness and productivity are the two most important features which are driving this economy out of recession.

* * *

• (1435)

TRADE

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, a number of trade experts from the C.D. Howe Institute to the government's own recent prosperity initiative have identified as the central weakness of the North American free trade agreement the continuing absence of a common set of trading rules. Yet the minister has said that Canada cannot propose a parallel accord on such common trade rules in the current negotiations with Canada and Mexico because, and I quote: "Any change in the subsidies code would entail reopening the agreement".

Why does Canada not propose a parallel accord on subsidies? Can the minister explain why a parallel accord on subsidies proposed by Canada would entail reopening the North American free trade agreement while parallel accords on the environment and labour proposed by the United States do not reopen the agreement?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, trade rules are at the heart and core of a free trade agreement. Rules related to the environment or labour matters are not at the core of a free trade agreement. If you want to have changes in the rules on the subsidies or countervail or anti-dumping, you have to reopen the agreement. That is logical.

If my hon. friend says he wants to reopen the agreement, what is he prepared to give up? What is he prepared to change? The Americans are seeking changes in the cultural exemption. They are seeking changes in the supply management system. The members of Congress are seeking changes in the dispute settlement mechanism. Those are the three priorities that the Americans want. Which one of those would my hon. friend give up in return for changes in the subsidies code?

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister says that parallel accords on the environment and on labour standards are virtually meaningless. Let us be clear on this. He says that they are not central to the agreement, but that a subsidies code, which we do not have and he has never negotiated, is central to the agreement but he cannot get it.

If Canada cannot propose a parallel accord on subsidies, on common trading rules, the least the minister can do in the negotiations which resume next month is to propose a trinational panel to work out a common set of trade rules. How can Mexico and the United States refuse to participate in such a panel? Why does he not take that initiative to represent Canadian interests?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, first of all, let us just make sure that my hon. friend and I are on the same wavelength here.

We both agree that the subsidies code is in the agreement. There is a subsidies code in the agreement. My hon. friend is nodding. He would like to see some improvements in that. I also would like to see improvements in that but we have to get agreement.

Where we do have agreement is in the GATT. The proposals that have been made by Director General Dunkel on the subsidies code are very acceptable to Canada. We have participated fully in the negotiations there and that, I think, would answer the questions that my hon. friend has. I would encourage him to be somewhat patient. He will get a Uruguay round and he will get the subsidies code.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is also to the Minister for International Trade.

Today in Washington, over 600 representatives of the American lumber and home-building industry are asking President Clinton and Congress to repeal the 6.5 per cent tax on softwood lumber.

• (1440)

This tax not only increases the cost of a home in the United States by over 4 per cent but it hurts every Canadian softwood producer and hurts every Canadian worker.

Will the minister ask the President directly to repeal this tax at the April 2 timber summit that is being held in Portland, Oregon?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, on April 1 I will be meeting with the U.S. trade representative Mr. Mickey Kantor. I will be raising the matter of the softwood lumber issue at that time.

I know my hon. friend realizes there is a process that must be gone through. We must respect that process on both sides. I know that he has heard me say many times in the House that there was no basis on which the softwood lumber issue should have been brought to a countervailing duty position.

The government has taken a very strong position on that. In fact what we have been doing since that time is engaging in an advocacy exercise in the United States where we have gone to the home builders in the United States. I believe that our efforts have been instrumental in part in the positions that these home builders have taken and that he just referred to.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, a supplementary question to the same minister and on the same issue.

We both realize that the softwood lumber industry can be the one bright spot on the Canadian resource horizon if this government ensures that sufficient assistance is given to all of these areas.

I know that in my area alone we could create 1,000 new jobs almost immediately. Will this government make loan guarantees and other resources available to all of the sawmill operators throughout Canada so they can modernize and better compete in this vital industry that is absolutely hot? This government should be taking advantage of it today.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend thinks he has put all the facts, but I believe that it is not possible in Question Period. Let me draw a couple of others.

There has been almost a doubling in the price of lumber in the last year or so. There has also been a drop in the value of the Canadian dollar so that the returns to the lumber producers in Canada, including in his constituency, have increased significantly in recent months. They now have the cash flow and can do some of the expansions that he is looking for.

That together with the changes in the Small Businesses Loans Act that my friend the Minister of Finance has brought in, plus the drop in interest rates that has resulted from the drop in inflation, all combine to put in place an environment which is very very positive for investment in that industry.

* * *

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, my question is for the President of the Privy Council. In his absence, perhaps the government House leader can deal with it.

Six and three-quarter years ago in June 1986, the 33rd Parliament, with all-party support, passed the government's Bill C-45 and enacted the Parliamentary Employment and Staff Relations Act, which very simply extended to workers on Parliament Hill the same basic rights to decent working conditions and health and safety laws enjoyed by all other federal employees.

Almost seven years and one election has passed since Royal Assent was given. Still the cabinet has not proclaimed the operative sections of the act, parts II and III, into law. My question is: Will the government proclaim this important basic legislation before the end of this Parliament? Just when will it act to end this obvious and continuing injustice to those who serve us in this place?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, on behalf of the government, we say that it is not really the government that is holding up this issue. This issue deals exclusively with the House of Commons, with employees of the House of Commons and with employees of individual members.

There are certain aspects of the law which would impose on individual members some requirements that there has been some reluctance to take on. The proper forum to discuss this is the Board of Internal Economy. I will certainly relay the hon. member's concerns to the board.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, after seven years, I and I am sure the workers of Parliament find that answer absolutely up on cloud nine.

The workers we are talking about not only work directly for members of Parliament but they are all of those employees, some unionized some not, who are employed here for the House of Commons, whether they are security workers, whether they carry out the garbage, whether they cook in the kitchens or whatever else. Surely if there was to be a consultation process, they and any Canadians—who I must admit expect the wheels of government to grind slowly, especially this government's—have a right to expect that it will be less than seven years before consultations are held and something gets done. It is an obvious injustice.

• (1445)

Why has the government not acted at this time? What is the reason? Did it not know what it was doing or does it not know what it is doing now?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, perhaps the hon. member was rehearsing his supplementary question and did not hear my first answer.

This is not a government question. It is a House of Commons question. There is a distinction. The Board of Internal Economy has the responsibility for this and the hon. member's party has a representative on the Board of Internal Economy. If there was such indignation in the NDP caucus all these years, how come it was never raised by the hon. member's representative?

* * *

[*Translation*]

AIRLINE INDUSTRY

Mr. John Manley (Ottawa South): Mr. Speaker, last December, the Minister of Transport promised in the House that he would present a plan in early February to stabilize the airline industry. Today is March 23, and since Canadian International and Air Canada had huge losses in 1992 and Nationair now needs protection from its creditors, is the minister finally prepared to announce measures to stabilize an airline industry that is on the brink?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member opposite will surely recall that I informed the House in November that if the airlines did not impose the self-discipline required to return to profitability, we would intervene by proposing corrective measures in this House.

Since then, the two airlines have announced reductions in their capacity that are likely to improve their situation. We are continuing to examine various options available to correct the situation if the airlines do not continue in the same direction.

[*English*]

Mr. John Manley (Ottawa South): Mr. Speaker, the airline industry has a lot of high quality, high paying jobs that are clearly in jeopardy. It now seems clear that the

basis of the minister's policy is that airline companies will fail.

Will the minister disclose to the House what he expects will be the total loss of employment in the airline industry when his policies have had their full effect?

Hon. Jean Corbeil (Minister of Transport): Mr Speaker, I do not believe the member is suggesting that the Government of Canada should manage the two national airlines. The representatives of these two airlines have said repeatedly over the past few weeks that overcapacity is their main problem.

As far as I am concerned, they control the capacity and can address the problem themselves if they want their industry to survive.

* * *

NATIONAL DEFENCE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Finance. He will know that Canadians are massively opposed to the purchase of the EH-101 helicopter for the sum of some $5.8 billion at a time when one million children live in poverty and 700,000 children use food banks.

I want to know from the Minister of Finance if he personally supported the purchase of the helicopters. Yes or no?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, as the hon. member knows, the government made a decision in 1987 to purchase the EH-101. It confirmed and signed a contract in October 1992. The government stands behind that decision.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I think it is interesting to note that the Minister of Finance did not defend the helicopter purchase.

I want to ask a supplementary question of the Minister of Finance.

[*Translation*]

The helicopters cost $5.8 billion. Some manufacturers are bankrupt and Canadians have had enough of this whole affair.

• (1450)

So I come back to the Minister of Finance. Is he prepared to tell us today whether or not he still supports buying these helicopters at a cost of $5.8 billion? This is a simple question.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, a simple answer for a simple question.

The Canadian government has made a decision in the national interest and in the interest of our Armed Forces and our UN peacekeeping forces. We need this equipment and we will acquire these helicopters with a 13-year program, instead of having 30, 40 or 50-year old helicopters that could endanger the lives and safety of our soldiers and those who have the heavy responsibility of defending Canada's interests.

[*English*]

My friend asks whether one minister is supporting this. Well, of course, all the ministers are supporting it. Only in the Liberal Party does the leader go one way and the party the other.

* * *

IMMIGRATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the minister of immigration. First I would like to congratulate him for adopting new guidelines for women refugees facing gender discrimination.

Based on these guidelines I would ask the minister if he will review the case of my constituent, Amina Mohamed, who along with her four sons is to be deported tomorrow to the U.S. and then to Somalia. As a divorced Muslim woman, she has no status and will be shunned. Her parents are dead and she faces grave danger.

Will the minister delay the departure of this woman and her sons and personally review her case based on the new gender discrimination guidelines?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, because of the Privacy Act I cannot discuss any particular case in the House of Commons. But I can undertake to review the case the hon. member mentions.

Ms. Margaret Mitchell (Vancouver East): I want to thank the minister. I want to mention also that we have an affidavit from American lawyers which proves that if

she is deported to the United States she will be ineligible for refugee status and will be deported from there.

I would ask the minister also to look at this case from a compassionate point of view, to allow this family to remain in Canada where the woman has support from her family and friends—

Mr. Speaker: The question is becoming a brief on behalf of the lady. I understand that but it is going too far. Does the minister wish to respond?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, all I can assure the hon. member is that I shall be reviewing the particular case she has mentioned and will get back to her for further details or information she may have.

* * *

EL SALVADOR

Hon. John Bosley (Don Valley West): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

The report of the UN truth commission on El Salvador both names and condemns those on both sides who committed heinous atrocities during the war years and attempts to contribute to reconciliation by recommending *inter alia* that all of the persons named be barred from public office. Yet last Saturday, almost before the ink on the report was dry, President Cristiani moved to grant amnesty to all those named, including apparently those already convicted and in jail for the infamous murder of the Jesuit priests.

Will the minister undertake to convey to President Cristiani that many Canadians who care about the peace process and who have seen him exercise constructive leadership in the past feel betrayed by this action? Will Canada urge him to implement the recommendations of the report in full?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, yes we will do that directly with the president. Through my colleague, the Minister for External Relations, we have conveyed that directly to El Salvador's minister for economic and social development.

We will take every avenue in which to do this. We think it is a cynical use of the amnesty procedure, given the need of El Salvador to continue down the track of economic and democratic reform which we have strongly supported. We have strongly supported the President when he has made those moves. We will be equally strong in condemning him as a result of this very cynical action.

* * *

• (1455)

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for my friend, the minister of fisheries.

He will know that today in Halifax fishermen in large numbers are there to send a strong message to him and the government for the way they have handled the fisheries crisis, as did hundreds of fishermen in Sydney yesterday. They are there for very good reason. It is because the government has failed to provide a compensation package for those people who have been victimized by the severe quota cuts and the downturn in catches.

The government is putting the blocks to fishermen on the licence issue and it has the industry in a spin over its cock-eyed reform proposals.

Why is it that the minister insists on putting the boots to these people whom he should be helping?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I think that all members can recognize the partisan and silly nature of that question because the record speaks for itself.

Whenever fishermen have needed to be assisted by this government they have been assisted. That goes from ice compensation, when there was an unusual ice condition several years ago; to a gear up program, to help them when they needed assistance in gearing up after having a bad year; to the Atlantic Fisheries Adjustment Program, $584 million; to the northern cod program, $780 million.

With respect to licensing and the new Atlantic groundfish management plan and reform of the department of fisheries, there is widespread support across the country except in Newfoundland. You can never expect any support from that government for anything constructive. So we have no support from that particular government which does nothing but criticize and condemn—

Mr. Dingwall: I thought you liked Clyde Wells.

Mr. Speaker: Let us try to move on.

Hon. Roger C. Simmons (Burin—St. George's): Okay, okay, I will tell Clyde you still love him.

Mr. Speaker, my supplementary is for the same minister. I want to ask the minister again, if things are as hunky-dory and as perfect as he suggested in his answer a moment ago, what is it about all those hundreds and thousands of people in Halifax yesterday and Sydney today? Is it that in his army everybody is out of step except him? Is that the problem, that he is the perfect guy and these people are all wet? Or maybe they have a cause.

Would the minister recognize that and agree now to do something about their concerns instead of ballyhooing as he is doing here today?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Well certainly the hon. member's party is not out of step, Mr. Speaker. Clyde Wells and Elijah Harper are going arm in arm to assist the hon. gentleman opposite in his next election campaign, the same two people who wrecked the Meech Lake accord. They are not out of step.

Some hon. members: Hear, hear.

Mr. Crosbie: With respect to the demonstrators in Halifax harbour, when the Atlantic groundfish management plan was announced—

An hon. member: Cheap partisan bull.

Mr. Crosbie: You hate to have your sins of commission and omission—

Mr. Speaker: The hon. member for Moncton.

* * *

JUSTICE

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is for the Minister of Justice and concerns the issue of stalking.

The stories we have read in the paper about women who are killed or violently assaulted by men who stalk them represents only the tip of the iceberg. For every week that goes by more and more women are living in terror.

Why is the minister delaying in tabling legislation to deal with stalking?

[*Translation*]

Hon. Pierre Blais (Minister of Justice, Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, I already said in this House that this issue, which concerns many Canadians, also concerns me. We will come back to this House very shortly with something that will answer these questions.

Nevertheless, I must say that five sections in the Criminal Code now deal with this issue. Obviously, further to the consultations we had with police groups across Canada, especially at the symposium with my colleague, the Solicitor General, it appears that these sections do not work. We may therefore have to amend the Criminal Code for that purpose. We are now working on it and I should be able to report back to the House soon.

• (1500)

[*English*]

Mr. George S. Rideout (Moncton): Mr. Speaker, the previous Minister of Justice as well as this minister have indicated they have been studying this issue.

Provincial ministers of justice and attorneys general are still concerned. Women are being stalked to death. How many more women must be terrorized before this government acts?

Hon. Pierre Blais (Minister of Justice and Attorney General of Canada and Minister of State (Agriculture)): Mr. Speaker, I will repeat in English what I said in French. We will be back in the House very soon with legislation on that issue.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Harry Chadwick (Bramalea—Gore—Malton): Mr. Speaker, my question is for the Minister of Transport.

The announcement of new runways at Pearson International Airport will inevitably bring additional noise problems to my residents.

Can the minister tell us when RAMPS, the noise abatement system promised for Pearson International Airport to detect flight path violators at a cost of $20 million and which sits idle, will be operational? Can he give us a specific date?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member will be pleased to learn that this system will be operative in the fall of 1993.

Mr. Speaker: There will be a single question from the hon. member for Mississauga South and a single question from the hon. member for Calgary Northeast.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is also for the Minister of Transport.

The minister has received the environmental review panel report on Pearson airport. The minister has rejected virtually all major recommendations and is proposing to create a new north–south runway 8,000 feet in length and create a new air corridor. The minister has received a copy of an objection from the panel chairman, David Kirkwood, who has indicated that he cannot proceed with any further environmental work under the circumstances.

What is the minister's response to Mr. Kirkwood?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member will be pleased to know that the chairman has requested that we clarify the mandate of the panel for the next step of this evaluation which is the rest of the north–south airline needs for Ontario and we are in the process of redefining the mandate.

* * *

RUSSIA

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, my question is for the Secretary of State for External Affairs.

The secretary of state in her address in February 1993 to the Diplomatic Academy of the Russian Foreign Ministry entitled "Canada and Russia—Managing Change" expressed the opinion: "The recent Minsk summit showed once again that Russia, as the accepted nuclear weapon state, has a major responsibility in ensuring the secure command and control of those weapons within the former Soviet Union, including Ukraine, Byelorussia and Kazakhstan".

My question to the minister: In view of the political and constitutional crisis and the possibility of a takeover in Russia by the military, is she still holding the same point of view?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, yes, our position today is totally consistent with the position as reflected by the Prime Minister in his earlier answers and with the remarks I made in Moscow at that time.

We do recognize the significance of Russia as well as Ukraine and some others as nuclear powers. This is one of the reasons it is very much in Canadian interests that we be among the leaders in the G–7 and in the western world for providing aid and demonstrating support for democracy and economic reform in those countries not just Russia although Russia obviously is the most significant player at the moment.

One of the reasons we want to continue to do that is because they are nuclear powers and they do have a responsibility. This is well recognized by President Yeltsin.

Also in the hon. member's preamble he was somewhat more dramatic than I would have been in describing the situation there. While we are very concerned about the exchanges between the hard–liners and President Yeltsin at the moment I would not want to over–dramatize it in the terms that he used.

* * *

POINT OF ORDER

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, my point of order arises out of the response to my earlier question regarding the status of the Parliamentary Employment and Staff Relations Act.

• (1505)

The government House leader clearly suggested it was the Board of Internal Economy and not the cabinet that had the responsibility for proclaiming legislation passed by this House. I am in a quandary. If this is his intended answer, I want to know how to proceed as we appear to have a new Constitution. Who has jurisdiction over proclaiming legislation passed by this House: the cabinet, or who?

Mr. Speaker: I listened very carefully to the exchange between the hon. member and the minister. The hon. member is rising now and seeks some information with respect to jurisdiction in this matter.

First of all, it is not for the Chair to enter into that debate. I say this with respect, but nonetheless I remind the hon. member that in a very real sense he is extending the debate which arose with the questions and answers.

The hon. member, of course, has the right to ask questions of the appropriate nominated member of the Board of Internal Economy if he wishes to do so. If that is the route he wishes to follow, then I am sure with consultation he could find an appropriate time to put a question of that sort.

It is certainly not for the Chair to get into an argument about where the jurisdiction is in this particular case.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT, 1993 NO. 2

MEASURE TO ENACT

The House resumed consideration of Bill C–113, an act to provide for government expenditure restraint, as reported (without amendment) by a legislative committee; and Motions Nos. 7, 8, 9, 10, 11, 13 and 14.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise to debate the issue this afternoon on Bill C–113 at the report stage. This is the bill, as you know, for government expenditures.

The bill is a fairly complex one, comprised of four parts. I am going to address that part concerned with unemployment insurance because it is the most controversial part of the bill and has received most of the attention in both the media and the public eye. Perhaps more specifically and more important, it has received the most scrutiny and concern from those many unemployed Canadians who are now desperate and in the ranks of over 1.5 million Canadians, on the issues that are being debated.

It bothers me and a lot of my constituents that in its mini budget of December 3 last the government did not come up with measures and macro–measures to put some of the unemployed back to work and save money on the deficit.

Instead it is trying to save $2.35 billion by attacking those people who need to be attacked least. It is reducing the benefits for the unemployed from 60 to 57 per cent and imposing what I believe are unfair penalties on those people who quite often, through no fault of their own, have to quit their jobs and go to work elsewhere.

There is nobody in this House who needs to be told what the unemployment insurance program is all about, but there are some changes that have been made since this group of politicians was elected in 1988. Considerable changes were made to the program that I suppose in part are responsible for this shameful measure that is being debated in the House today.

The unemployment insurance program is the federal government's largest single expenditure and exceeds national defence costs, Old Age Security costs and the total administration costs of the federal government. Its forecasted cost for 1993 is $22.5 billion.

• (1510)

I think the key issue here, and it has not been missed by some speakers, is the fact that until 1990 when Bill C–21 was passed, the government paid up to 26 per cent of the unemployment insurance fund. That does not happen any more. The unemployment insurance fund is now totally paid for by employers and employees. Essentially it is a private insurance fund.

I do not believe the money that will be lost by those people who are involved in pursuing their claims from 60 per cent to 57 per cent is going to be equivalent to the difficulties people will have who quit their jobs through no fault of their own. Irrespective of the changes that were made since Bill C–105, which was so unpopular it had to be changed, those people are being asked now to go to appeal. I believe it is tantamount to telling them they are guilty and have to prove themselves innocent. It

is all very well to say they can appeal, but what does that mean?

In 1991, 191,000 UI applicants were held to have quit their jobs and were penalized. About 10 per cent or 19,000 of these decisions were reversed by various boards. As you know, we have 99 boards of appeal that include roughly 1,000 people. Canada has 450 CEC centres, but about 250 of them actually process claims. If we look at the volume of information that is involved, last year in the 29 telecentres, 8.65 million telephone calls were made on the subject of these appeals to sort out clarifications in the unemployment insurance decisions made by follow-on appeals, boards and eventually judges.

If that was worked out on the back of a cigarette package, 8.65 million telephone calls in a year at 29 centres with an average number of working days in the year, it works out to 1,300 to 1,500 calls a day. This bill tells people: "Do not worry, you are going to be guilty". In other words, it is assumed you have quit for reasons that would penalize you. If you think you have a case, come back and see us with the 1,900 other appellants, the 1,500 phone calls a day and the 250 centres across Canada.

My confidence in that is not very strong and I will tell you why. I just recently learned of a case. Reference was made to it today by the hon. member for Port Moody—Coquitlam, but not in the context I am going to report to the House. It will give some indication of the confusion and difficulty one has in actually appealing a case. This case does not even relate to an appeal. I am not going to use names because I think there will be less of a bias.

I am reporting information that was given to me on March 18. It involved a lady in one part of Canada. She was planning to quit a job she had for almost 15 years to join her fiancé who was posted to another part of Canada. She had to resign because she was obviously moving to another place. Before she made this decision she contacted the UI office in her area and asked if she could collect benefits if she were to quit her job and follow her fiancé. After looking at the circumstances involved, the answer from the office was yes.

She made the move and later expected to receive her benefits. After some inquiries she received two letters on the same day at her new address from the Unemployment Insurance Commission. One said she was entitled to the claim she had filed. The other letter from the same office said she had been disqualified from receiving benefits for seven weeks because she had quit her job voluntarily without just cause. This letter said her benefit rate would also be reduced. The point I am making here is that one letter recognized the relationship she was having with her fiancé as a common-law relationship. The other did not because it was reckoned they had not been living together full time for a year. The letters were from the same office, dated the same day and more remarkably were from the same person.

• (1515)

How in the name of Heaven can we expect a member of Parliament, who has been invited to participate in this process by the latest circulars being passed out to employees and the public, to get a handle on a system of flexibility and judgment that allows one person to give two completely opposite answers to the same person in one day? It is bad enough to give one answer with identical circumstances to two different people. It does not excuse the poor judgment made there. But to actually send it to the same person and presumably not know it was going to the same person indicates the kind of system we are being asked to cope with if we pass this legislation.

There is a great belief that those people who quit their jobs go away and never look for work and are a total drain on the work force of Canada. The facts do not support that.

An analysis of the unemployment figures done in 1986 showed that half of all job quitters went to another job immediately. I believe the premise that is inherent in this bill has been the basis of all the vindictive discussion that is going on. The reason the government is having a lot of trouble with this bill, even in its own party, is because it has not really done its homework. Also, it is trying to save money and cut the deficit by nickel and diming and hitting those people who can least afford it.

I believe that is probably one of the most despicable things this government has done in the eight and a half years it has been in power. I for one, and I believe I am speaking for my party, will not be voting to support these measures.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I just want to make a few comments before I launch into my main burden about the comments made by my predecessor. Although I agree essentially with his remarks, I think he has been misled into believing this is an attempt to save money. When he says nickels and dimes, that is part of the trap the government is trying to create.

This bill really has more to do with the harmonization required under the Canada–U.S. Free Trade Agreement and the North American free trade agreement with Mexico. I will take my friend through this step by step so he will recognize how insidious this bill is. Not only is it an attack on the unemployed, it is a capitulation to the loss of sovereignty of the nation of Canada to determine its own policies because of the signing of the Canada–U.S. Free Trade Agreement.

I know when I am through there will be one Liberal in this House who will stand with me when we fight the NAFTA deal and demand the abrogation of the free trade agreement. It is regrettable that the Liberal Party has abandoned its position on this issue and its trade critic has accepted NAFTA with some fancy petticoats, but it is essentially the same agreement, an extension of loss of sovereignty. When I am through speaking I know that good member will support me as the lone Liberal in this House against this particular bill.

Mr. Speaker, I know it comes to your edification that this is the second step in destroying the unemployment insurance program as we have known it in this country since we signed the Canada–U.S. Free Trade Agreement.

The United States signatories to the Canada–U.S. Free Trade Agreement have insisted all along that our unemployment insurance benefits are far too beneficial to the recipients compared to the Americans.

• (1520)

The first assault on the Canadian unemployment insurance program, in terms of harmonization and a level playing field, was the de Grandpré report, which was tabled in this House as promised by this government to make sure that workers would allegedly be protected from the Canada–U.S. Free Trade Agreement fall-out.

Almost every major recommendation of the government's own de Grandpré report was ignored. It went in the opposite direction. The first thing it did three years ago was to slash the amount of weeks that a beneficiary could receive the insurance that he or she bought.

It was the first step on the road to harmonization. This unemployment insurance bill that we are dealing with now is the second chapter delivered from Washington, D.C., through the Tory government.

This is harmonization number two, and if the government keeps it up it will sell it as a video tape. It could call it "Terminator One of UIC" and now "Terminator Two of UIC". It is all written in the United States of America in Washington, D.C.

Does anyone think this government is standing up and fighting for Canadian working men and women? Mr. Speaker, I know that you cannot say because you are in the chair, but if you could speak I know you would agree with what I am saying and say that this government is heading on a sinful path.

I would further say that this government had lied to the Canadian people, but accusing the government of lying is out of order and the last thing I would do is break the rules of this House by accusing the government of lying.

Maybe some of its candidates did, and that is what bothers me. The impression was left with the Canadian people that the Canada–U.S. Free Trade Agreement would be a harmonization that would bring American standards up to Canadian, and then NAFTA would be a harmonization bringing Mexican standards up to Canadian. Nothing could be further from truth. Every single step is a cutback and a cut down to the American standards and ultimately to Mexican standards.

Some wag suggested that the Minister of Finance would end up, as a result of the NAFTA agreement and this kind of legislation, no longer selling used cars but used tacos. That is the kind of harmonization we are moving toward. Everything that is the lowest common denominator in these agreements between Canada, the United States and Mexico is the direction in which we are going.

Who is standing up and fighting for the unemployed in this country? Not the government, not the Liberal opposition. It is regrettable that both the government and the Liberal opposition have been captivated by this same course of cutting the services in this country to meet the new global economy as defined by the United States.

This bill written in Washington, D.C. and sent up, I hope with adequate postage, to this government is an example of the kind of harmonization that is destroying the social fabric of the Canadian work place.

Why would a government move in this direction at this time unless harmonization was the goal? What the government does not talk about is the growing banking system for the poor. One of the fastest growing banking systems for the poor are the food banks. We now have more food banks in this country than we have McDonald's restaurants. Two million people a week are lining up at food banks in this country. That is a record of the Tory government, the free trade agreement and harmonization.

There are 1.5 million people unemployed and the number is rising. Instead of giving people an option to have more time to find ways of finding a job the government is cutting back on access to unemployment insurance and on the payments themselves.

• (1525)

It seems obvious that this government has abandoned its responsibility to Canadians, except for Canadian industries that are a pale reflection of the corporate agenda dictated by the United States and the international capital community.

It does not like to hear these words any more. It believes that the new global economy demands that we cut the guts out of everything we have fought for in this country on behalf of working men and working women. It is urging workers to be more productive with less wages. It is urging men and women to not dare to give up their jobs, even if they are harassed or the working conditions are subhuman, because they will be punished under this bill if they do so.

Thank you, Mr. Speaker, two minutes. I thought for a moment that you were giving me a salutary greeting but I understand it was just the two-minute signal. Nonetheless, I appreciate your friendliness.

It is unbelievable that this House is not jam-packed for every second of this debate because this debate is at the crux of the social fabric of which this nation is built and which is being abandoned by the Conservative government at the behest of its erstwhile partners in the American business community who are dictating the policy for the Canadian nation.

This bill is an example, quietly and relentlessly pushing its way through this House, of how the Tories have capitulated to outside capital interests to destroy a competitive edge we had in terms of Canadian working men and women.

What is furthermore regrettable is that while image is being pursued by the mass media around the Tory leadership candidates, not one of them has been asked whether or not he or she will vote against this bill to show that they are different than the present Prime Minister of this country.

They can change a man's suit or a woman's hair-do but that does not change that person's policy. It does not matter a fig who is leading that party over there because they support this kind of legislation which hurts Canadian working men and women.

My dear friend across is mumbling but I do not interpret those mumbles other than as a subdued confession that he, too, will abandon the possibility of running for office simply out of shame at what this bill is doing.

I know that my time is up in this debate, but I want to warn the government that I will be relentless in my pursuit of the fact that none of the leadership candidates of the Conservative Party has taken any position other than to support this destruction of unemployment insurance as we know it. Let every woman and man in this country know exactly what the government is doing.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I do not always agree with the member for Esquimalt—Juan de Fuca, but after listening to the latter part of his remarks I do support what he has to say. I find it amazing, and I said this yesterday in the House, that we are almost one month into the Conservative leadership campaign and with the exception of the member for Etobicoke—Lakeshore there has not been another member in the Conservative Party who has been advancing debate or promoting ideas in terms of what he or she stands for.

I agree with the New Democratic Party member. I guess we are going to get the real test in about three or four months but when we are knocking on doors in mid-July or late August, whenever the government decides to call the election, we can be sure that the people of Canada are not going to forget about the GST, the devolution of powers that this Conservative government has orchestrated over the last 10 years, or the dismantling of national institutions.

When this piece of legislation came forward I was trying to figure out where it was coming from.

• (1530)

When I returned to my constituency office, about one week or so after the first session that we had on this bill and after parts of it were introduced during the economic statement, the people that supported this bill in my community were the people who seemed to be doing okay in terms of their own jobs. For starters, I must say there were very few. They would say: "The government is really doing a good job of cleaning up the abuse".

I reflected for a while and I said that now we know the genesis of where this bill is coming from. This bill was designed to try to send a signal to Canadians that in the name of efficiency the government was going to clean up the Unemployment Insurance Act.

It is a cruel piece of legislation when we have an economy in which 1.6 million people are on the unemployment insurance rolls. The latest Statistics Canada numbers show us that 2.2 million people are on the welfare rolls in this country. This piece of legislation does nothing for the people who are out of work.

It does absolutely nothing for the dignity of people who are in tenuous situations in companies. We have already discussed at length the situations that can exist in companies in terms of harassment being a cause for someone to want to leave, and we have discussed how they are not protected under this bill as clearly as they should be.

This bill was packaged, created and put here to appeal to the right wing in this country. Everything now is done in the name of deficit and debt reduction. Those who are most disadvantaged in our community seem to be on the short end of the stick.

The government has missed the whole point of why it is here. Governments are not here for the advantaged. It is not here just to develop policy for the advantaged. Governments exist to design and develop policy for those in our community who are disadvantaged. When a bill like this comes through the House it violates the whole first premise of why we are in government. It does not meet the test of looking after those who are disadvantaged.

I stand here today in total opposition to this bill. We in the Liberal Party are not against cleaning up any abuse in the system. We do not tolerate people who are trying to take advantage of the system.

There are ways of ferreting out those who take advantage of the system. Instead of spending all of this time trying to focus on the abuse factor, which the government has said costs somewhere in the neighbourhood of $200 million out of the close to $35 billion that was paid out last year in unemployment insurance and welfare, and taking all this time to restructure the Unemployment Insurance Act so dramatically in the name of that $200 million, this government should be creating hope and designing policies that will spark or ignite small business people in this country so that they can put people back to work.

With the exception of the Small Businesses Loans Act, this government has done very little to stimulate the entrepreneurial spirit in this country, and that is where our greatest hope for new job creation lies.

• (1535)

When I go door to door in my riding people tell me the number one priority of any government in this country right now is to put people back to work. This particular bill in no way, shape or form does anything to meet that objective.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I rise in the House this afternoon to speak to Bill C–113, because according to me and according to my colleague, although this bill is apparently supposed to improve the present situation, if we consider the polls in Quebec and elsewhere, it is clear most people are against this kind of reform, because they do not perceive it as such. Now there are polls and polls. The Tories opposite say that the political polls confirm their popularity, but I am talking about the popularity of this particular bill.

Let me explain. What strikes me most about this bill is that it is a denial of the basic rights of the consumer, or the policyholder if you prefer. It has often been said that Bill C-113 is basically an insurance contract between employer and employee.

However, I remember that when I was president of the Automobile Protection Association I had to intervene in litigation between insurance companies and policyholders. I can tell you that if this was an insurance contract and I had to advise a consumer, I would tell him never to sign a contract that contains so many denials of basic rights.

I will give you a few examples to show that the so-called improvements in Bill C-113 are likely to make the situation worse and take away basic rights we already have and which are unique.

For instance, in criminal law we can compare this with the rights of a policyholder. It is up to the system to prove the guilt of the accused. This means that the accused is innocent until proven guilty. But as you and I understand Bill C-113, that is not what happens. Under the present unemployment insurance system it is up to the claimant to prove the validity of his claim, and he will receive no money until he has done so.

In criminal law, when there is a doubt the accused is always innocent until proven guilty. In the case of unemployment insurance, the claimant is guilty until he can prove otherwise.

Imagine the case of someone in need of money and acting in good faith when he or she asks the government for help. Now we have a problem, because the government wants to investigate. The investigation may take a week, a month, two months, three months, and during that time, you do not have a cent and your insurance contract—let us call it that—is not paid up. You will get no compensation until the investigators—who are paid for what they do, so they are in no hurry—have finished their work.

This is a pretty serious problem, because the government theoretically—, and I say theoretically, because I can hardly believe the government is all bad and it must have wanted to do the right thing but the difference between theory and practice is staggering.

• (1540)

I remember when people filed claims with their car insurance companies, for example, and that is not as critical as unemployment insurance, but car insurance claims were usually paid in two or three weeks. Most insurance companies pay as soon as they receive the claim. When the government says that payment is made very quickly, in a week or two, I do not agree. We have figures showing that it takes months and months and in that time people are stressed. Most people who have to wait are in a real fix.

I would like to give you another example from the Confederation of National Trade Unions (CSN) in Quebec. The CSN has a striking example: someone works all his life for the same employer, quits his job and then works somewhere else for 15 weeks. That person would be refused benefits if the requirement to work 16 weeks applies. With Bill C-113, the bill before us today, all insurable weeks from the first job would no longer count for anything, even if premiums were collected during those weeks.

Mr. Speaker, if you were a steelworker and had worked for 20 years and decided to change jobs, but had only worked 13 weeks at the new job, you would not be eligible for unemployment insurance. That is not right, even if the Conservatives opposite find it funny. It is not funny. Knowingly putting people in a tight situation is not at all funny. It is shameful.

Instead of criticizing the government all the time, today I would like to give some help to people who want their claims to be processed with some speed and efficiency. I would like to give those who need unemployment insurance some examples or suggestions to have their claims processed better. This comes from a publication by employees of various unemployment insurance centres.

First, they say you must arrive early. If you want good service arrive around 8.45 a.m. and you will probably have better service.

Second, if you want to begin a job retraining course, because you want to change your line of work and do something else, it is best not to apply in January or September because they are really loaded with claims from people in those months. In months other than January and September you have a better chance of obtaining a retraining course. Also, something very

important, if you are already receiving UI benefits, you have a better chance of getting one of these courses.

Third, apply very promptly. As soon as you know you will be let go or no longer work for the same company, you should apply right away because your two-week waiting period starts from the time of your application, not the time you lose your job. So apply right away and you will wait at most two weeks.

If you need a cheque because you are really in a bind and do not know what to do you can still ask the government to issue you a cheque right away. They have a 24-hour service and if your claim takes too long and you have bills to pay, ask for a cheque right away.

Finally, and this is very important, if you have problems with unemployment insurance, contact your member of Parliament. Conservative, Liberal or New Democrat, we are able to help you because things do go a little faster and more efficiently when a member of Parliament is involved. Also, you can always appeal. Apparently, about 25 per cent of people win their appeals against the government, so you have one chance in four of winning your claim if you are not satisfied with the decision of the Unemployment Insurance Commission.

• (1545)

Finally, keep a record of everyone you spoke to, because not only politicians forget. UI officials can often forget who you are and what you asked for.

With these suggestions, even if Bill C-113 as now proposed puts you in a bad spot, perhaps in your case you can improve your situation. But one thing is sure. With this Bill C-113 there is no chance of improving your situation.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, in speaking on Bill C-113, I would like to follow up on what the hon. member for Broadview—Greenwood was saying about the government's role.

The government's role in a society that considers itself civilized is to counteract the often cruel forces of a completely free market system, to recognize that from time to time people suffer from changes in the economy, people are hurt by the decisions of others, and to assure them that society and the community are ready to support and help them make the necessary adjustments with a view to resuming a normal life as soon as possible, so they can earn a salary and have enough money to feed their family and pay their mortgage.

[*English*]

When a government forgets that its role is to find a balance in society to assure that forces beyond their control do not destroy individuals or families, when it forgets its obligation to support through a period of difficulty those who have been hurt by its decisions and the decisions of others, then we truly start to have a society that is less civilized. That is really what this bill is all about.

This bill is about a government forgetting that economic forces are at work in the world hurting people badly and forcing them out of employment. I have to repeat the figures. We now have over five million Canadians, one-fifth of our population, without jobs and subsisting on either unemployment insurance or welfare. That really is a national disgrace.

This legislation tells us the system that many of these people have contributed to for all their working lives, the unemployment insurance system, will no longer be there to help them.

I will go back to the case that to me is the most indicative of what this bill is all about. It is based on the assumption that people who are not working do not want to work. It is not because there are not enough jobs or their skills may no longer be needed by their employers. It is not because the conditions of work may have become so harsh that they have become intolerable or so unsafe that they have become unhealthy or so cruel that they have become personally unbearable, which are some of the reasons people leave their jobs. I do want to talk a bit about what has become the beacon for what is wrong with this bill. That is the case of a person, usually a woman, who leaves her job because of harassment.

• (1550)

We have a very bureaucratic system and it says to this woman that she still qualifies for unemployment insurance, but only if she made sure that before she left her job that she told the harasser that she did not like what he was doing and only if she made sure that if she had a supervisor she reported it to her supervisor, and only if she did all of those bureaucratic things.

Let me tell the House about some of the women I know who find and have found themselves in that kind of a situation. They are not going to be helped at all by the assurances of the minister and the voices on the government side of this House saying that it does not really include them, because it does.

I will explain what happens. There are many women who have gone through a period of supporting their families, often on their own, often living on welfare after the break-up of a marriage. They start working themselves out of that situation, go through a period of re-education and retraining and get back into the work force. What they are mostly lacking is confidence. It takes them a while to get back into the work force and build up their confidence.

They are often working in small places where there is not a union, there is not a system that tells them that they do not have to put up with harassment. They are being harassed.

Now, if people have just started a new job and have not been in the work force for ten years they have lost a lot of their confidence. They are not going to turn around to the person who is harassing them, to their boss, and confront them on it. They are simply not going to do that. They are just going to feel humiliated, belittled, and demeaned, and they are going to walk off the job. Then they are not going to qualify for unemployment insurance.

Most women who find themselves in that position will not have read the Canadian Human Rights Act. They will not know the rules they have to follow until afterwards, when it is too late. Other people who find themselves working in unhealthy and unsafe conditions, who are required sometimes to handle dangerous chemicals or work in an environment in which their health is threatened, are not necessarily going to know what bureaucratic steps they have to take to satisfy some person in the Department of Employment and Immigration that they really had no choice but to quit that job.

They are going to leave, and so they should because no worker in this country should have to put up with working in unsafe conditions.

That is what is wrong with this bill. It does not recognize unemployment insurance as a system that people have contributed to throughout their working lives and from which they are entitled to draw when they need it.

It is an attitude that says: Punish people if they are not prepared to work under any conditions, for any wage, for any employer.

My colleague mentioned that a booklet has been prepared by the people who work for Employment and Immigration Canada. These are the people on the front lines who deal with desperate men who have lost their job and do not have the money to feed their children or pay the rent, who suddenly run into a morass of rules and regulations that says that they are not going to have any money for weeks and weeks and weeks and how they get along is none of the bureaucracy's concern.

The people who work day to day and hear the stories of the women who are out of a job, cannot get training, and even in our own government are told that they must have a grade 12 education or they cannot have the minimum unskilled job in the Government of Canada, have now been told they cannot distribute these helpful hints to their clients.

This is typical of the other section of the bill, which has been less debated. It says to all Public Service employees, whether they are earning $18,000 or $160,000, that there is no increase for them next year.

We are not going to solve the problems of this country by confronting, blaming, or victimizing other Canadians. We are going to solve the problems of this country by working together, and that includes working with our employees, sitting down and asking them to give us their ideas on how the Government of Canada can operate more efficiently and how we can better serve their clients.

• (1555)

What does this government do? It says that they are to blame. The entire federal Public Service costs us 5.6 per cent of the national budget, but on their backs we are going to solve all the economic woes of the country. We are not going to let them be helpful to their clients. This kind of measure, looking after those who are doing well and punishing those who are having a hard time, is not the way to solve the problems of the country. This bill is typical of that approach and that is why I am against it and that is why we are against it on this side of the House.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, one of the main issues in this matter before us is the question of whether somebody who is forced out of unemployment insurance will have a fair hearing.

The question has to be judged by a number of activities before these quasi-judicial appeal procedures that go on within the federal government. The issue has been largely addressing one aspect of this bill, and it is far broader than the single issue of fairness. The previous speaker talked about the individual who is harassed on the job, quits, and does not qualify for unemployment insurance and then goes through an appeal process. Will that person who quits justifiably and goes before that appeal board be reinstated or provided with unemployment insurance?

The issue is whether people can obtain a fair hearing. The opposition says that on the balance of probabilities they will not because it is rigged. The government on the other side, and it is the same thing with the minister, day after day stands up and says that they will and the process is fair so let it continue.

I would just like to read into the record the report of the standing committee for regulatory scrutiny. The ninth report of that committee on May 5, 1988 discussed the process of fair procedure before the committee. It talked about these appeal boards, including the unemployment insurance appeal board. The report said: "For the reasons which follow, your committee has concluded that these regulations lack the necessary procedural safeguards to ensure that the appeal process is consistent with basic requirements for fairness and equity".

Further along in the report it said: "The committee has, on numerous occasions, requested the Public Service Commission to remedy this situation by adopting additional regulations so as to better define the rights and duties of parties taken to appeal under legislation and under government appeal boards". The committee was co-chaired by two people, one from the other place and one from here.

The question is whether people could obtain a fair hearing before a committee. I would like to just read another item into the record. It involves a case heard before the Supreme Court of Canada, court file No. 20882 in which Leila LeCorps-Tremblay was trying to deal with the appeal board of the Public Service Commission. It uses examples in this document, in the reasons for the leave to appeal. It states that:

> The Federal Court of Appeal erred in failing to find that the applicant had denied to her a right to a fair trial in accordance with the principles of fundamental justice before an impartial tribunal as a result of the Public Service Commission Appeal Board's decisions to:
>
> (i) proceed in the unavoidable absence of the applicant from the hearing and overrule unjustifiably the expert advice on which her absence was based;
>
> (ii) interfere with or permit the interference with the applicant's ability to communicate with and instruct her counsel and advisors;
>
> (iii) decline motions to grant an adjournment so that the applicant could adequately examine her personnel file in the department and could receive, study and confer about copies of documents necessary for reasonable disclosure of the accusations against her and disclosure of the evidence on which such accusation was based;
>
> (iv) instruct the applicant not to make any written record of the appeal board proceedings.

• (1600)

The notice of leave to appeal goes on to criticize the appeal board for:

> (i) expunging from the record documentary evidence submitted by the applicant and refusing to accept documents properly introduced into the record and to assign exhibit numbers to them;
>
> (ii) failing to conduct the proceedings in an official language comprehensible to counsel for the applicant after receiving prior written notice from the applicant of her choice of language, without reasonable cause or justification;
>
> (iii) unreasonably denying the applicant recesses and adjournments without apparent cause or justification;
>
> (iv) repeatedly interrupting the applicant in her testimony and submissions;
>
> (v) refusing the applicant permission to tape record the proceedings;
>
> (vi) permitting the respondent department access to an electronic recording of the proceedings while denying the applicant such rights;
>
> (vii) refusing to exclude witnesses in order to ensure the independence of testimony;
>
> (viii) refusing to grant the applicant's requests for scheduling of witnesses while granting similar scheduling requests to the respondent department.

It goes on and on.

The interesting thing about this is the response by the Department of Justice to this listing of reasons for leave to appeal. It never addressed any of these procedural abnormalities or denials of fair treatment. Unfortunately we have a situation in which these appeal boards do not have a fair and due process.

The argument in this House, which has gone on and on and on, about Bill C-113 is that by the time these people go to appeal where errors have been made or problems have happened, such as the case of harassment or quitting with just cause, they are in a situation in which the government has argued there will be a fair process in front of the appeal boards.

This is an argument that with government appointees on that appeal board it will wind up not giving due process. It is a serious example in which natural justice is compromised in the allegations here, and it is never answered.

At this stage of the game all that can happen is the hope that in the other place there will be substantial hearings on this bill and that closure today will be rectified. It is unfortunate that the elected representatives of Canadians again face closure in this House, that they are unable to examine in careful detail this odious piece of legislation, particularly when even a committee of this House has recommended improvements in the regulations for due process before these committees, which have been continuously denied.

Our only hope lies with the place next door. It is ironic that we as members of the House of Commons wind up appealing to the other place, as odious as it is, to hold decent and fair hearings on this matter.

Hopefully, when it calls those hearings and looks in detail at the committee report, rather than just rubber stamping it, the committee will call witnesses before it such as Leila LeCorps-Tremblay, Nancy Jennings, Rachel LaBelle, Michael Cassidy, Jack Miller, and Val Bourgeois. The last person is an individual who went before a House of Commons committee. At the end of his testimony the Tories decided at that committee that freedom of speech does not apply and expunged his entire testimony from the record and then let another individual put virtually the same testimony on the record.

Hopefully, in the other place when its committee's hearings are held freedom of speech will be available and Val Bourgeois will be able to speak freely. Lauren Hopkins is another witness it may want to hear.

[*Translation*]

Mr. Robitaille: Mr. Speaker, I would just like to remind the hon. member and this House, regarding the testimony of Mr. Val Bourgeois, that the issue was raised in this House and brought to the attention of the Chair. The Chair did recognize that the committee had every right to make the decision it made.

[*English*]

Mr. Skelly (North Island—Powell River): Mr. Speaker, a majority government is justified in doing virtually anything, including suppressing freedom of speech. My concern is that we can no longer assure that there is freedom of speech. The hope is that in the other place when it decides to hold committee hearings on this matter it will look at a broad range of witnesses who have had some experience with these government appeal boards and the lack of due process.

I hope that it will take the example of the ninth report of the standing committee on regulations and examine its recommendations for implementing due process, so that when people go before these boards, in particular the unemployment insurance board, they will be guaranteed a fair hearing with due process.

• (1605)

Those are the remarks I would like to make. I hope that they will have the opportunity to be considered since the government, with closure, has imposed its kind of free speech.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I am not sure how many times I have risen to speak under government closure. The government is applying a time limit on debate in order to limit the remarks of various members of this House who are speaking on behalf of the constituents they represent.

Bill C-113 was brought in by the government on February 17, 1993. It will reduce the unemployment insurance benefits from 60 per cent to 57 per cent of insurable earnings as of April 4, 1993. People who voluntarily leave their jobs without just cause, or lose their jobs through personal misconduct, will no longer receive unemployment benefits.

A board of referees is to be given clear powers to protect the privacy of victims of sexual or other harassment, if they come forward and make an issue of it. But I believe this is going too far for women in the work place who simply cannot condone the harassment they sometimes go through and choose to quit their jobs in order to escape.

Workers who leave their jobs through voluntary severance and downsizing will be eligible for unemployment insurance benefits.

Across Canada we have 1.5 million people unemployed, according to the unemployment insurance statistics. We have an unemployment rate of 10.8 per cent. In Ontario the unemployment rate is 10 per cent or 532,000 people. In my own constituency, on the Lambton county side, there are 921 persons on unemployment insurance. However there are 2,428 people listed as being employable whose benefits have run out, for a total number of people who are unemployed of 3,349. On the Middlesex side of the constituency the total is 910 people.

We have five million Canadians now looking for work, 1.5 million listed in unemployment insurance figures. In addition we have 3.5 million employable people looking for work whose unemployment insurance benefits have run out.

In one town pf 10,000 people in my constituency, three major lay-offs, due to the free trade agreement, have resulted in the loss of 465 jobs. The government's response was to reduce the staff at the unemployment insurance office in that town from two persons to one person and the office is open five hours a day. That is clearly unacceptable.

As I meet with the people, with those workers who lost their jobs through these plant closings due to the free trade agreement, I am becoming very angry with the way these workers are being treated. These people have paid into unemployment insurance for years. In fact, one man who was in my office last week had been at one of these plants for 27 years and contributing to unemployment insurance and now must be available for work if the opportunity opens up.

He has never once been unemployed in those 27 years, never once collected unemployment insurance, and now he is taking counselling and would like to be retained but it appears as if he has fallen through the cracks in the system. He is becoming very frustrated and upset, to say the very least. Like others in this town who have lost their jobs through plant closings as a result of the free trade agreement and whose insurance benefits have run out they have had to resort to social assistance. That is placing an increasing burden on the municipalities, the counties and the province. These people deserve better.

• (1610)

I suggest this latest move by the government is to try to bring the Canadian system into line with that of the U.S., as in other cases to harmonize our system with theirs.

The officials from the Canada Employment and Immigration Centres have been instructed to give the claimants the benefit of the doubt in establishing just cause when they walk away from their jobs whether it is through sexual harassment or other reasons. Perhaps for health reasons they have to walk away or perhaps it is because of allergies they may have to chemicals or other products they are working with.

It goes on to say that the Canada Employment and Immigration Centres will receive special training including legislative knowledge training, adjudication principles and practices, technical and automation input training, and awareness training dealing with sexual harassment, discrimination, child care problems and unsafe working conditions.

This is of little consequence when only one person is staffing the office and it is open only five hours a day.

The unemployment insurance program is the federal government's single largest expenditure at $22.5 billion forecast for 1993. Much of this, as I indicated earlier, is through the job losses and plant closings in this country since 1989.

More money is spent in the unemployment insurance program than on national defence, old age security, or the total administration of the federal government.

Before 1990 the federal government's contribution to the unemployment insurance fund was approximately 20 per cent. But in 1990 the government decided that general revenues could no longer contribute to the unemployment insurance fund.

We warned at that time what was going to happen. Since that time the fund which had been financed by unemployment insurance premiums, which are paid for by the employees and employers, has run up a deficit of

$4.7 billion. It is estimated it is going to increase to much higher than that by the end of the year.

The government expects that cutting the benefit rate from 60 per cent to 57 per cent and eliminating UI benefits for voluntary leavers and those who were fired from jobs will save a total of $2.45 billion over two years. Nonetheless, even with these cuts the deficit in the UI fund is expected to rise to $7.6 billion by the end of 1993.

It is clear therefore that the effect of the changes in Bill C-113 will be negligible. If the government's purpose in introducing these changes was to control spending, as stated in the December 2 economic statement, it can be said that the government has failed.

How many people are abusing the unemployment insurance system? It is estimated that the figure is less than 1 per cent of people who are taking advantage of the system. We know that in the past quite often construction workers would work over the summer months, the spring months the fall months and be laid off in the winter because of the harsh climate which makes construction impossible. They are referred to by the government as cheaters. I take exception to that description because it is impossible for people who work in construction to pour concrete and that sort of thing in the winter months to find work all year round. These are not cheaters. These are people whose profession dictates that they have to work during the seasonal months of the year.

This is a very harsh bill. It is another chip out of the social programs we have built up over the years. Less than 1 per cent of these people are taking advantage of the system but here we have a government cutting the benefits at a time when we have factory closings creating unemployment at rates we have never seen for years and years in this country.

The Canadian people and the workers deserve better. The Government of Canada has to accept the responsibility and ensure we make jobs even more secure than they are at the present time by taking a hard look at what the unemployment rate is going to be from the fall-out of the North American free trade agreement.

• (1615)

We know what the wage rates are down there. Make them come up to our standards. Make them bring up their social programs to our programs then we will compete, but do not take away the social benefits in this country that have been built up over so many years. They are among the best in the world.

Mr. Jack Shields (Parliamentary Secretary to Minister of Labour): Mr. Speaker, my first remark is to correct some questionable things which may have been inadvertently said by the opposition.

The previous speaker mentioned harmonizing the system. For example, I have heard it said we are harmonizing the system with that of the United States because of the free trade agreement. That is just not fact. It is just not fact at all because in the United States it is necessary to have 20 weeks of employment so that a claimant can draw 50 per cent of the wages for a duration of six months.

We are quite different. We have 10 to 20 weeks, 60 per cent of the wages and the unemployed will be able to draw it over a period of 12 months.

Let us look at some of the other countries in the OECD. We do not have any agreement with Germany, for example, but it requires 52 weeks employment over a three-year period to draw 63 per cent over 12 months.

Mr. Fisher: What is the unemployment rate in Germany?

Mr. Shields: In Italy 26 weeks over two years to be able to draw 15 per cent—

I find it very difficult. I sat and listened to the speeches from the other side. I am sorry that the member from across the way does not understand. He does not like to hear anything that would disagree with what he thinks.

For example, in Italy an employee must work 26 weeks over two years, to be able to draw 15 per cent of the wage for six months. That is 15 per cent of his salary.

Then we go to Japan. In one year they have to work 26 weeks and can draw 48 per cent of their salary. We do not have an agreement with these people.

In Great Britain, they have to have worked for one year and they can get 16 per cent of their salary for 12 months. That is 16 per cent of their salary for 12 months.

Let us look at some of the facts and some of the problems that we have. A total of $19.3 billion was paid out in UI benefits in 1992, including $15.4 billion in regular benefits, $1.77 billion in special benefits, that is for sickness, maternity, parental and adoption, $1.84 billion in developmental uses and I am speaking about training, work sharing, job creation, self-employment assistance and that sort of thing and $296 million went to the fishermen's and fisherwomen's benefits.

Let us look at some other figures. Unemployment payments have been rising. In 1990 there was a surplus of $2.2 billion in the UI account. Now the account has a deficit of $4.7 billion. Even with changes the total UI account deficit is expected to rise sharply and to reach $7.6 billion by the end of 1993.

We have to slow the rate of growth in the expenditures. We have to curb the UI abuse and there is abuse, contrary to what my friends across the way say. We have to try to get the Canadians who want to work back to work as quickly as possible.

The UI program is an insurance program originally designed to provide temporary income support for men and women who through no fault of their own lose their jobs.

• (1620)

Only those who choose to be unemployed will lose benefits. People who voluntarily seek unemployment will lose their benefits and, in an effort to curb the abuse, only those who agree or feel that they want to get out of the work force will lose their benefits.

We have all sorts of scenarios painted by my friends on the opposite benches. What if a woman is sexually harassed? If she is sexually harassed and quits her job, she has a reason for quitting her job. It has been arranged so that she can make her claim on sexual harassment behind closed doors, *in camera*, away from the employer who may be or may not be sexually harassing the individual. The government has gone miles to cover those kinds of things.

Then the government says well, if somebody has to quit because he has an allergy and cannot work in the work place, that is a valid reason for quitting. He then would be eligible for unemployment insurance.

The fallacious arguments we are hearing from the opposition benches just do not hold water when people sit down and examine the legislation.

We hear that this is a crime and that we are bringing in closure. We are not putting closure on this legislation. We have put time allocation on this legislation. We on the government benches sat and listened to the tirades from the opposition benches without putting up a speaker. We have not put up a speaker for the last couple of hours. I got up only in an attempt to clarify and to put something on the record that should be placed there.

Fairness in this whole legislation is the key. It is not fair to pay people who choose unemployment. If they choose unemployment, they should not be paid unemployment insurance.

If I have my house insured and I deliberately set it on fire and then turn around and ask the insurance company to pay for my loss, surely it would not be fair. The same applies in every insurance situation that we can think of.

It is not fair for someone to choose to be unemployed. There are people who choose to be unemployed who earn just enough points or weeks to qualify for unemployment insurance. They then choose to quit so that they can draw unemployment insurance after a certain penalty period. It is not fair to those who are paying into the system year after year.

I heard my friend from the other side say that he had a client who came into his office who had worked for 27 years. He had been paying unemployment insurance for his whole working life. He worked for this one company for 27 years and he felt really hard done by because he was not able to collect unemployment insurance after paying into it for his whole working life. I have those people come to my office also who say: Gee, I have paid into this for 30 years. I have now taken early retirement and I should be able to draw unemployment insurance.

Insurance is insurance. When you get out of the work force, whether it is through voluntary retirement, retirement or you decide to choose unemployment, surely to goodness you do not expect the unemployment insurance fund to pay.

They say what about those guys who are fired for misconduct? If someone was working for me and was paying into the unemployment insurance fund, and all of those employees who are working for me were religiously paying into it, and then through misconduct for theft or for a number of other reasons is fired, surely he should not be receiving unemployment insurance. He

did something in a deliberate fashion and he got fired. He chose to be unemployed by his misconduct.

• (1625)

The fallacious arguments from the opposition just do not hold water. I hope that people will look at this and read the legislation. This is not closure, it is time allocation. If we did not have time allocation these people on the opposite benches would be standing up day after day going through the same fallacious arguments that they are going through now. We have heard them ever since the legislation was introduced into the House of Commons.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the hon. member opposite has just said this was not closure.

[*English*]

That is about the same as telling us they did not use the meat axe, they just used the broad axe. That is much better and Canadians should be relieved at that. Well, they are not.

[*Translation*]

Mr. Speaker, if someone was drowning, what would you throw him or her, a lifebuoy or an anchor? What this government is doing is just that, weighing down the neediest Canadians. Canadians who need a lifebuoy are being dragged down toward the bottom by the very government that caused the massive unemployment that we are faced with now in this country. The government intends to take away about $2.4 billion from unemployed Canadians.

[*English*]

If that was not enough, the government was planning—get a load of this—to set up a toll-free line to denounce suspected cheaters of the program. I guess the toll-free line would have gone this way: 1-800-RAT-FINK. I suppose that was the number that the government was planning.

Yes, it was true. The minister said it. The minister confessed and two days later in the House of Commons he recanted.

An hon. member: No.

Mr. Boudria: Of course he recanted. He had to recant on many things, but such is life. However, Canadians will remember this minister.

Mr. Shields: Mr. Speaker, on a point of order. I am sure that my hon. friend would not want to deliberately mislead the House, but the facts are that this was something that was created in the bureaucracy as a suggestion to the minister that the minister never accepted and that was the 1-800 number or the RAT-FINK line as my hon. friend has indicated.

It was never the intention of this government to install a line and that member over there knows that. He knows that if we look at the record it did not come from the minister and it did not come as a policy. It came up from the civil servants through the bureaucracy.

[*Translation*]

Mr. Boudria: Mr. Speaker, this is not a point of order, nor a matter of privilege. It is not even a valid point that the hon. member opposite is raising. He knows full well that it took the minister two or three days before backing down. By not saying anything at the time, the minister in fact agreed to this RAT-FINK telephone line. Meanwhile, Canadians are not getting the help—

Mr. Robitaille: Mr. Speaker, as you know, loads of suggestions are regularly made to our ministers. I think it is only normal that they should take the time to—

The Acting Speaker (Mr. DeBlois): The Chair is willing to show some tolerance, but this is a matter of opinion and, strictly speaking, it does not qualify as a point of order.

Mr. Boudria: Mr. Speaker, meanwhile, there are groups of workers in my riding who care for those who are unemployed. I am referring in particular to the Hawkesbury unemployment action center run by Mr. Guy Bélisle. My hon. colleagues know how fond I am of Hawkesbury. I mention it often in my speeches in this House.

This group was set up in January 1992 with the Fibreworld plant committee. Seventy-five workers had been laid off when the plant closed.

• (1630)

These people have assessed the workers' needs. Some have gone back to school to complete grade 12. Fifteen took a course in heating and cooling systems at the Cité collégiale, in Hawkesbury. These people have managed to find new jobs. That is the kind of thing we should be doing as a government: training people.

Mr. Hudon: That is what we are doing.

Mr. Boudria: I heard opposite, my hon. colleague from Beauharnois—Salaberry, say: "That is what we are doing".

[*English*]

I want to bring a case to your attention, Mr. Speaker. I have in my constituency, like all others here, small business development centres. They administer the self-employment assistance program of the government. That is a program by which unemployed workers can convert their unemployment benefits to start up a form of small business and in that way gain meaningful employment.

Let me describe what goes on. The Cornwall office of Employment Canada administers this program for Stormont, Dundas, Glengarry and Prescott counties plus the city of Cornwall. This year it got $200,000 to administer this program.

That might sound like a lot of money. Two hundred thousand dollars is a lot more than I have and a lot more than many of my constituents have, but the $200,000 does not even cover those contracts which are already signed for this year. In other words, we cannot put any new people on the program and those who are already approved might not even get the funds that were approved for them. That is how bad it is.

A constituent phoned me today. She wants to start a marketing and distribution system for goat milk in the riding. It has been approved. A complete business plan has been approved and everything. This is going to work. Everyone has agreed it is going to work. Everyone agrees this person qualifies, but the government, after having approved her for the program, said: "Well, you know the money that we said we would give you when we approved this, well, we are not going to give it to you because we do not have the money that we said we would give you". That is not a very honest way for the government to proceed. That is just one example.

A lady in Apple Hill in my riding, a constituent, phoned me this morning in desperation, trying to get this government to advance the funding under that program. Why is it not there? Why is that not what the government is talking about today in the House of Commons, all these people who are trying to find ways to get back to work using government programs that have already been announced and approved and they still cannot get them? Why?

Are we talking about putting more funds in the self-employment assistance program? I am right now, but not the government across the way. What it is concentrating on is stopping these alleged cheaters.

Government members say that those who leave their job with so-called just cause will continue to receive benefits. Any member who has ever defended an unemployment insurance case knows better and knows that by the time you can win one of these cases, and that is just winning it at the local level of Employment Canada, the case is often four or five months old. Anyone who has ever appealed one of those to the courts, to the umpire, who is a really a judge of the Federal Court, will know that it sometimes takes a year.

What point is it to tell someone a year later, possibly when they are bankrupt or have been on welfare for a long time, that the adjudication of their case a year ago was wrong. Big deal.

What about the ones involving sexual harassment and so on? They go before the Canadian Human Rights Commission. We know how much of a hurry it is in. These people take forever to even return a phone call from an MP, let alone adjudicate on one of the cases. They just do not give answers. I am sorry to speak disrespectfully of employees of a quasi-judicial body, but maybe if they were even so kind as to return phone calls every now and then I would have a bit more respect for them. In any case, when they do adjudicate, two years or two and a half years later, the discussion and the adjudication is academic.

• (1635)

I am against this bill. I urge all my colleagues to vote against this bill.

The Acting Speaker (Mr. DeBlois): Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Bonavista—Trinity—Conception—National defence; the hon. member for Hastings—Frontenac—Lennox and Addington—Indian affairs; the hon. member for Calgary Northeast—Revenue Canada; the hon. member for Ottawa—Vanier—Language minorities.

The hon. member for Nickel Belt.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to say a few words on the report stage of Bill C-113.

I want to congratulate my colleague, the member for Timmins—Chapleau for the excellent amendments he has introduced. I want to particularly address my remarks to Motions Nos. 16, 17 and 18.

The first thing that strikes me, and it has struck a lot of people who are familiar with the way unemployment insurance works, is that a person who applies for UI has a two-week waiting period. Often it takes longer than the two-week waiting period for the agents at UI to collect all the relevant information so the decision can be made on the application. Often it will run to three or four weeks. The client does not get cards and certainly does not get any cheque from UI. The client may get a response from UI eventually as to the disposition of his or her application.

My colleague has introduced a very logical amendment to ensure that time limits are adhered to so the decision is rendered to the claimant within the two-week waiting period.

By law the employer must provide the claimant with the separation certificate. If the employer does not, it has to be reported to the commission. This can cause a considerable amount of delay because the claim cannot be set up until the separation certificate is received.

The way it works now, the client informs the commission that he or she has been unable to get the separation certificate and the commission then goes after the employer. If the employer does not provide the separation certificate, the employee is asked to bring in the pay stubs and a claim is set up based on those pay stubs. That all takes time.

With the advent of new technologies in the processing of applications and the computerization which has taken place, surely it is possible to adhere to a two-week waiting period as my colleague has suggested. If the employer does not come up with a separation certificate in two weeks, then a claim would be set up for the client based on the stubs if the claimant has them, or some verification by the client of what his or her pay was. The claim is set in motion for the claimant, and the employer is dealt with according to the law if he has not provided the separation certificate or other information that is required. I think this is a very appropriate amendment and I do not think it will create any problems on the part of the UI agents or those who process the claims. I think it is quite possible to have a two-week period within which a decision is made and rendered and the claim is processed.

• (1640)

It seems to me that my colleague's Motion No. 17 requires the commission to maintain statistical data. I understand that when the committee held hearings my colleague asked witnesses for statistical information about those who were disentitled without good reason. He asked what those reasons were.

He discovered that 190,000 clients were disentitled without good reason in 1991. When he asked for the statistical information with respect to the reasons Mr. Gordon McFee, who is the director of policy and legislation development, Department of Employment and Immigration, told my colleague that the precise reason for the disentitlement of these 190,000 is not coded but the fact that the claim was adjudicated negatively is. The way one comes up with the 190,000 figure might have been a simulation.

Decisions are being made on amending the Unemployment Insurance Act in Bill C-113 which are not based on information. The government is not able to determine whether the information on which it has based its proposed amendments is really appropriate because it does not have the statistical information. My colleague asked if one could assume theoretically that some of the reasons given for leaving employment may have been valid even though a negative decision was reached. He was told that was possible and there may have been negative decisions given for reasons that were totally appropriate. They may have been just, but we do not know that because we do not have the statistical information.

Mr. Max Yalden, who is the commissioner of human rights, appeared as a witness before the committee and on this question of accumulating statistical information said:

> I would suggest finally that whatever system is put in place to deal with the situations I've been describing should include some means of recording and categorizing the number and nature of voluntary quit claims, especially where harassment has been in question and how they have been disposed of, and second, the provision of some form of overseeing body, which will periodically verify those data and report on how successfully the regime is dealing with so-called just cause claimants.

Here you have two witnesses. First, the Unemployment Insurance Commission admitted it has just guestimated and it really does not keep the statistical information on the reasons for the 190,000 not just cause disentitlements. The commissioner of human rights suggested statistical information should be kept. What did the Unemployment Insurance Commission representatives say? They said it was a good idea and as of April 5, they were going to incorporate the system. It seems to me it is putting the cart before the horse. These changes to the Unemployment Insurance Act should be held in abeyance and we should develop the experience with the reasons why people quit their jobs.

• (1645)

We have to look at the reasons, not fly blind and come in with amendments. The government wants to pander and cater to what it senses is a right wing agenda out there and wants to punish these people because, after all, we are in a deep recession and unemployment is high. Two million people are unemployed in the country. The government asks: "What do we have? We have people quitting their jobs. Oh, good heavens, we have to nail them. We have to show how tough we are with them". I do not think that is the way to legislate. A sensitive government does not legislate in that fashion.

My colleague's Motion No. 18. is an amendment that would make sure that the claimant cannot be excluded from a board of referees hearing. Can we imagine anything so ludicrous as excluding a claimant from a hearing?

The Acting Speaker (Mr. DeBlois): Order, please. It being 4.45 p.m., pursuant to order made earlier this day and in accordance with the provisions of Standing Order 78(3) it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of report stage of the bill now before the House.

The first question is on Motion No. 7. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): A recorded division on the proposed motion stands deferred.

The next question is on Motion No. 13. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): A recorded division on the proposed motion stands deferred.

Mr. Cid Samson (Timmins—Chapleau) moved:

Motion No. 16.

That Bill C-113 be amended in Clause 21

(a) by striking out line 31 at page 10 and substituting the following therefor:

"ment;"; and

(*b*) by striking out line 34 at page 10 and substituting the following therefor:

"claim; and

(*c*) make its determination within two weeks after its consideration of the claim."

Motion No. 17.

That Bill C-113 be amended in Clause 22 by adding immediately after line 5 at page 11 the following:

"(*w*.2) providing for the compilation and publication of statistical information relating to

(i) each of the circumstances referred to in subsection 28(4) that were invoked by claimants, and

(ii) all decisions made by the Commission;".

Motion No. 18.

That Bill C-113 be amended in Clause 23

(a) by striking out lines 10 to 13 at page 11 and substituting the following therefor:

"ulations authorizing the chairperson of a board of referees to exclude from a hearing before the board any employ-"; and

(b) by striking out lines 19 to 30 at page 11 and substituting the following therefor:

"being given."

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 16. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): A recorded division on the proposed motion stands deferred.

• (1650)

The next question is on Motion No. 17. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): A recorded division on the proposed 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.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen.

The Acting Speaker (Mr. DeBlois)): A recorded division on the proposed motion stands deferred.

The House will now proceed to the taking of the deferred divisions at report stage of the bill now before the House.

Call in the members.

• (1715)

And the division bells having rung:

Mr. Speaker: The first question is on Motion No. 1. A vote on this motion also applies to Motions Nos. 3 and 19.

An affirmative vote on Motion No. 1 obviates the need for a vote on Motion No. 2. A negative vote on Motion No. 1 necessitates a vote on Motion No. 2.

The House divided on Motion No. 1, which was agreed to on the following division:

(*Division No. 438*)

YEAS

Members

Anawak
Arseneault
Attewell
Baker
Belsher
Bertrand
Bird
Blais
Bouchard (Roberval)
Boyer
Caccia
Campbell (South West Nova)
Catterall
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Cooper
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dingwall
Domm
Duhamel
Epp
Ferguson
Finestone
Fontana
Fretz
Gaffney
Gauthier
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Guilbault
Halliday
Harvard
Hawkes
Horner
Hudon
James
Johnson
Jordan
Kempling
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
MacAulay
Andre
Atkinson
Axworthy (Winnipeg South Centre)
Bellemare
Bernier
Bevilacqua
Blackburn (Jonquière)
Blenkarn
Boudria
Brightwell
Cadieux
Casey
Chadwick
Chartrand
Cole
Comuzzi
Copps
Corbett
Couture
Danis
DeBlois
Dick
Dobbie
Dorin
Edwards
Fee
Ferland
Flis
Foster
Friesen
Gagliano
Gibeau
Gray (Windsor West)
Grey (Beaver River)
Gustafson
Harb
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Jelinek
Joncas
Jourdenais
Keyes
Landry
Larrivée
Lee
Lopez
MacDougall (Timiskaming—French River)
MacKay
MacLellan
Malone
Marleau
Masse
Mazankowski
McDermid
Merrithew
Milliken
Monteith
Nault
Nunziata
O'Kurley
Paproski
Phinney
Porter
Prud'homme
Reid
Richardson
Robitaille
Roy-Arcelin
Shields
Simmons
Soetens
Speller
Stewart
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vanclief
Vankoughnet
Vien
Volpe
Wappel
Wenman
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—174
MacLaren
Maheu
Manley
Martin (Lincoln)
Mayer
McCreath
McLean
Mifflin
Mills
Moore
Nicholson
Oberle
Pagtakhan
Peterson
Plourde
Proud
Redway
Reimer
Rideout
Rompkey
Scott (Hamilton—Wentworth)
Siddon
Sobeski
Sparrow
Stevenson
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Van De Walle
Vézina
Vincent
Walker
Weiner
Wilbee
Winegard

NAYS

Members

Althouse
Benjamin
Blaikie
Breaugh
Duceppe
Fisher
Harvey (Edmonton East)
Hunter
Langan (Mission—Coquitlam)
Leblanc (Longueuil)
McCurdy
Murphy
Plamondon
Rodriguez
Skelly (North Island—Powell River)
Stupich
Tremblay (Rosemont)
Whittaker
Barrett
Blackburn (Brant)
Bouchard (Lac-Saint-Jean)
Butland
Edmonston
Gérin
Hovdebo
Kristiansen
Langdon (Essex—Windsor)
MacWilliam
McLaughlin
Nystrom
Rocheleau
Samson
Skelly (Comox—Alberni)
Taylor
Waddell
Young (Beaches—Woodbine)—36

PAIRED MEMBERS

Allmand
Blondin-Andrew
Charest
Clark (Yellowhead)
Duplessis
Hopkins
Kaplan
Turner (Vancouver Quadra)
Bélair
Campbell (Vancouver Centre)
Clancy
Desjardins
Hockin
Jacques
McKnight
Young (Acadie—Bathurst)

• (1725)

Mr. Speaker: I declare the motion carried and I therefore declare Motions Nos. 3 and 19 carried.

The next question is on Motion No. 4. A vote on this motion also applies to Motion No. 5.

The House divided on Motion No. 4, which was negatived on the following division:

(Division No. 439)

YEAS

Members

Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blaikie
Boudria
Butland
Campbell (South West Nova)
Comuzzi
Dingwall
Duhamel
Ferguson
Fisher
Fontana
Gaffney
Gauthier
Gray (Windsor West)
Harvard
Hovdebo
Jordan
Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)
Leblanc (Longueuil)
MacAulay
MacLellan
Maheu
Marleau
McLaughlin
Milliken
Murphy
Nunziata
Pagtakhan
Phinney
Proud
Rideout
Rodriguez
Samson
Skelly (North Island—Powell River)
Speller
Stupich
Tremblay (Rosemont)
Volpe
Walker
Whittaker
Anawak
Axworthy (Winnipeg South Centre)
Barrett
Benjamin
Blackburn (Brant)
Bouchard (Lac-Saint-Jean)
Breaugh
Caccia
Catterall
Copps
Duceppe
Edmonston
Finestone
Flis
Foster
Gagliano
Gérin
Harb
Harvey (Edmonton East)
Hunter
Keyes
Kristiansen
Langdon (Essex—Windsor)
Lee
MacLaren
MacWilliam
Manley
McCurdy
Mifflin
Mills
Nault
Nystrom
Peterson
Plamondon
Prud'homme
Rocheleau
Rompkey
Simmons
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Waddell
Wappel
Young (Beaches—Woodbine)—90

NAYS

Members

Andre
Attewell
Bernier
Bird
Blais
Bouchard (Roberval)
Brightwell
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dobbie
Dorin
Epp
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Jelinek
Joncas
Kempling
Langlois
Layton
Lopez
MacKay
Martin (Lincoln)
Mayer
McCreath
McLean
Monteith
Nicholson
O'Kurley
Porter
Reid
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—119
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Boyer
Cadieux
Chadwick
Chartrand
Cole
Cooper
Corbett
Couture
Danis
DeBlois
Dick
Domm
Edwards
Fee
Fretz
Gibeau
Greene
Guilbault
Halliday
Hawkes
Horner
Hudon
James
Johnson
Jourdenais
Landry
Larrivée
Lewis
MacDougall (Timiskaming—French River)
Malone
Masse
Mazankowski
McDermid
Merrithew
Moore
Oberle
Plourde
Redway
Reimer
Robitaille
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wenman
Winegard

PAIRED MEMBERS

Allmand
Blondin-Andrew
Charest
Clark (Yellowhead)
Duplessis
Hopkins
Kaplan
Turner (Vancouver Quadra)
Bélair
Campbell (Vancouver Centre)
Clancy
Desjardins
Hockin
Jacques
McKnight
Young (Acadie—Bathurst)

Mr. Speaker: I declare the motion lost. I therefore declare Motion No. 5 lost.

Mr. Gagliano: Mr. Speaker, I rise on a point of order. I think you will find unanimous consent to apply the result of the vote we just took on Motion No. 4 to Motions Nos.

7, 11, 14, 16 and 17; then to apply in reverse the result of the vote on Motion No. 1 to Motions Nos. 13 and 18; and finally apply in reverse the result of the vote on Motion No. 4 to the concurrence motion.

• (1735)

[*Translation*]

Mr. Plamondon: Mr. Speaker, we were never consulted, either by the government or by the opposition, about these resolutions. We have always said that we are willing to co-operate with the House as long as we are consulted. Consequently, we refuse our consent.

[*English*]

Mr. Speaker: The next question is on Motion No. 7. A vote on this motion also applies to Motions Nos. 8, 9 and 10.

The House divided on Motion No. 7, which was negatived on the following division:

(*Division No. 440*)

YEAS

Members

Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Jonquière)
Bouchard (Lac-Saint-Jean)
Butland
Campbell (South West Nova)
Comuzzi
Dingwall
Duhamel
Ferguson
Fisher
Fontana
Gagliano
Gérin
Harb
Harvey (Edmonton East)
Hunter
Keyes
Langan (Mission—Coquitlam)
Lee
MacLaren
MacWilliam
Manley
McCurdy
Mifflin
Mills
Nault
Nystrom
Peterson
Plamondon
Prud'homme
Rocheleau
Rompkey
Simmons
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Waddell
Wappel
Young (Beaches—Woodbine)—87

Anawak
Axworthy (Winnipeg South Centre)
Barrett
Benjamin
Blackburn (Brant)
Blaikie
Breaugh
Caccia
Catterall
Copps
Duceppe
Edmonston
Finestone
Flis
Gaffney
Gauthier
Gray (Windsor West)
Harvard
Hovdebo
Jordan
Kristiansen
Leblanc (Longueuil)
MacAulay
MacLellan
Maheu
Marleau
McLaughlin
Milliken
Murphy
Nunziata
Pagtakhan
Phinney
Proud
Rideout
Rodriguez
Samson
Skelly (North Island—Powell River)
Speller
Stupich
Tremblay (Rosemont)
Volpe
Walker
Whittaker

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blenkarn
Boyer
Cadieux
Chadwick
Chartrand
Cole
Cooper
Corbett
Couture
Danis
DeBlois
Dick
Domm
Edwards
Fee
Fretz
Gibeau
Greene
Guilbault
Halliday
Hawkes
Horner
Hudon
James
Johnson
Jourdenais
Landry
Larrivée
Lewis
MacDougall (Timiskaming—French River)
Malone
Masse
Mazankowski
McDermid
Merrithew
Moore
Oberle
Plourde
Redway
Reimer
Robitaille
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wenman
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—118

Andre
Attewell
Bernier
Blais
Bouchard (Roberval)
Brightwell
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dobbie
Dorin
Epp
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Jelinek
Joncas
Kempling
Langlois
Layton
Lopez
MacKay
Martin (Lincoln)
Mayer
McCreath
McLean
Monteith
Nicholson
O'Kurley
Porter
Reid
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
Wilbee
Winegard

PAIRED MEMBERS

Members

Allmand
Blondin-Andrew
Charest
Clark (Yellowhead)
Duplessis
Hopkins
Kaplan
Turner (Vancouver Quadra)

Bélair
Campbell (Vancouver Centre)
Clancy
Desjardins
Hockin
Jacques
McKnight
Young (Acadie—Bathurst)

• (1740)

Mr. Speaker: I declare the motion lost. I therefore declare Motions Nos. 8, 9 and 10 lost.

The next question is on Motion No. 11.

The House divided on Motion No. 11, which was negatived on the following division:

(Division No. 441)

YEAS

Members

Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blaikie
Boudria
Butland
Catterall
Copps
Duceppe
Edmonston
Finestone
Fontana
Gagliano
Gérin
Harb
Harvey (Edmonton East)
Hunter
Keyes
Langan (Mission—Coquitlam)
Lee
MacLellan
Maheu
Marleau
Mifflin
Mills
Nault
Nystrom
Peterson
Proud
Rideout
Rodriguez
Samson
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Waddell
Wappel
Young (Beaches—Woodbine)—81

Anawak
Axworthy (Winnipeg South Centre)
Barrett
Benjamin
Blackburn (Brant)
Bouchard (Lac-Saint-Jean)
Breaugh
Caccia
Comuzzi
Dingwall
Duhamel
Ferguson
Flis
Gaffney
Gauthier
Gray (Windsor West)
Harvard
Hovdebo
Jordan
Kristiansen
Leblanc (Longueuil)
MacLaren
MacWilliam
Manley
McCurdy
Milliken
Murphy
Nunziata
Pagtakhan
Plamondon
Prud'homme
Rocheleau
Rompkey
Skelly (North Island—Powell River)
Speller
Stupich
Tremblay (Rosemont)
Volpe
Walker
Whittaker

NAYS

Members

Anderson
Attewell
Bernier
Blackburn (Jonquière)
Bouchard (Roberval)
Brightwell
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dobbie
Dorin
Epp
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Johnson
Jourdenais
Landry
Larrivée
Lewis
MacDougall (Timiskaming—French River)
Malone
Mayer
McCreath
McLean
Monteith
Nicholson
O'Kurley
Porter
Reid
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—115

Dick
Domm
Edwards
Fee
Fretz
Gibeau
Greene
Guilbault
Halliday
Hawkes
Horner
Hudon
James
Joncas
Kempling
Langlois
Layton
Lopez
MacKay
Martin (Lincoln)
Mazankowski
McDermid
Merrithew
Moore
Oberle
Plourde
Redway
Reimer
Robitaille
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wenman
Winegard

PAIRED MEMBERS

Allmand
Blondin-Andrew
Charest
Clark (Yellowhead)
Duplessis
Hopkins
Kaplan
Turner (Vancouver Quadra)

Bélair
Campbell (Vancouver Centre)
Clancy
Desjardins
Hockin
Jacques
McKnight
Young (Acadie—Bathurst)

• (1750)

Mr. Speaker: I declare the motion lost.

Mr. Gagliano: Mr. Speaker, I rise on a point of order. I believe you will now find unanimous consent to apply the vote we just took on Motion No. 11 to Motions Nos. 14, 16 and 17; then to apply in reverse the result of the vote on Motion No. 1 to Motions Nos. 13 and 18; and to apply in reverse the result of the vote of Motion No. 4 to the concurrence motion.

Mr. Speaker: Is there unanimous consent?

Some hon. members: Agreed.

[*Translation*]

Mr. Blackburn (Jonquière): Mr. Speaker, I would like my vote to be recorded as yea on Motions Nos. 13, 14, 16 and 17, but nay on Motion No. 18.

[*English*]

The House divided on Motion No. 13, which was negatived on the following division:

(*Division No. 442*)

YEAS

Members

Althouse
Benjamin
Blackburn (Jonquière)
Bouchard (Lac-Saint-Jean)
Butland
Edmonston
Gérin
Howdebo
Kristiansen
Langdon (Essex—Windsor)
MacWilliam
McLaughlin
Nystrom
Rocheleau
Samson
Skelly (Comox—Alberni)
Taylor
Waddell
Young (Beaches—Woodbine)—37

Barrett
Blackburn (Brant)
Blaikie
Breaugh
Duceppe
Fisher
Harvey (Edmonton East)
Hunter
Langan (Mission—Coquitlam)
Leblanc (Longueuil)
McCurdy
Murphy
Plamondon
Rodriguez
Skelly (North Island—Powell River)
Stupich
Tremblay (Rosemont)
Whittaker

NAYS

Members

Anawak
Arseneault
Attewell
Baker
Belsher
Bertrand
Bird
Blenkarn
Boudria
Brightwell
Cadieux
Casey
Chadwick
Chartrand
Cole
Comuzzi
Copps
Corbett
Couture
Danis
DeBlois
Dick
Dobbie
Dorin
Edwards
Fee
Ferland
Flis
Foster
Friesen
Gagliano
Gibeau
Gray (Windsor West)
Grey (Beaver River)
Gustafson
Harb
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Jelinek
Joncas
Jourdenais

Andre
Atkinson
Axworthy (Winnipeg South Centre)
Bellemare
Bernier
Bevilacqua
Blais
Bouchard (Roberval)
Boyer
Caccia
Campbell (South West Nova)
Catterall
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Cooper
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dingwall
Domm
Duhamel
Epp
Ferguson
Finestone
Fontana
Fretz
Gaffney
Gauthier
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Guilbault
Halliday
Harvard
Hawkes
Horner
Hudon
James
Johnson
Jordan
Kempling
Keyes
Landry
Larrivée
Lee
Lopez
MacDougall (Timiskaming—French River)
MacLaren
Maheu
Manley
Martin (Lincoln)
Mayer
McCreath
McLean
Mifflin
Mills
Moore
Nicholson
Oberle
Pagtakhan
Peterson
Plourde
Proud
Redway
Reimer
Rideout
Rompkey
Scott (Hamilton—Wentworth)
Siddon
Sobeski
Sparrow
Stevenson
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Van De Walle
Vézina
Vincent
Walker
Weiner
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—173

Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
MacAulay
MacKay
MacLellan
Malone
Marleau
Masse
Mazankowski
McDermid
Merrithew
Milliken
Monteith
Nault
Nunziata
O'Kurley
Paproski
Phinney
Porter
Prud'homme
Reid
Richardson
Robitaille
Roy-Arcelin
Shields
Simmons
Soetens
Speller
Stewart
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vanclief
Vankoughnet
Vien
Volpe
Wappel
Wenman
Winegard

PAIRED MEMBERS

Allmand
Blondin-Andrew
Charest
Clark (Yellowhead)
Duplessis
Hopkins
Kaplan
Turner (Vancouver Quadra)

Bélair
Campbell (Vancouver Centre)
Clancy
Desjardins
Hockin
Jacques
McKnight
Young (Acadie—Bathurst)

The House divided on Motion No. 14, which was negatived on the following division:

(*Division No. 443*)

YEAS

Members

Althouse
Arseneault
Baker
Bellemare
Bevilacqua

Anawak
Axworthy (Winnipeg South Centre)
Barrett
Benjamin
Blackburn (Brant)

Blackburn (Jonquière)
Bouchard (Lac-Saint-Jean)
Breaugh
Caccia
Comuzzi
Dingwall
Duhamel
Ferguson
Fisher
Fontana
Gagliano
Gérin
Harb
Harvey (Edmonton East)
Hunter
Keyes
Langan (Mission—Coquitlam)
Lee
MacLellan
Maheu
Marleau
Mifflin
Milis
Nault
Nystrom
Peterson
Proud
Rideout
Rodriguez
Samson
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Waddell
Wappel
Young (Beaches—Woodbine)—83

Blaikie
Boudria
Butland
Catterall
Copps
Duceppe
Edmonston
Finestone
Flis
Gaffney
Gauthier
Gray (Windsor West)
Harvard
Hovdebo
Jordan
Kristiansen
Leblanc (Longueuil)
MacLaren
MacWilliam
Manley
McCurdy
Milliken
Murphy
Nunziata
Pagtakhan
Plamondon
Prud'homme
Rocheleau
Rompkey
Skelly (North Island—Powell River)
Speller
Stupich
Tremblay (Rosemont)
Volpe
Walker
Whittaker

NAYS

Members

Anderson
Attewell
Bernier
Blais
Boyer
Cadieux
Chadwick
Chartrand
Cole
Cooper
Corbett
Couture
Danis
DeBlois
Dick
Domm
Edwards
Fee
Fretz
Gibeau
Greene
Guilbault
Halliday
Hawkes
Horner
Hudon
James
Joncas
Kempling
Langlois
Layton
Lopez
MacKay
Martin (Lincoln)
Mazankowski
McDermid
Merrithew
Moore
Oberle
Plourde
Redway
Reimer
Robitaille
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wenman
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—114

Atkinson
Belsher
Bertrand
Bouchard (Roberval)
Brightwell
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dobbie
Dorin
Epp
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Johnson
Jourdenais
Landry
Larrivée
Lewis
MacDougall (Timiskaming—French River)
Malone
Mayer
McCreath
McLean
Monteith
Nicholson
O'Kurley
Porter
Reid
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
Wilbee
Winegard

PAIRED MEMBERS

Members

Allmand
Blondin-Andrew
Charest
Clark (Yellowhead)
Duplessis
Hopkins
Kaplan
Turner (Vancouver Quadra)
Bélair
Campbell (Vancouver Centre)
Clancy
Desjardins
Hockin
Jacques
McKnight
Young (Acadie—Bathurst)

The House divided on Motion No. 16, which was negatived on the following division:

(*Division No. 444*)

YEAS

Members

Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Jonquière)
Bouchard (Lac-Saint-Jean)
Breaugh
Caccia
Comuzzi
Dingwall
Duhamel
Ferguson
Fisher
Fontana
Gagliano
Gérin
Harb
Harvey (Edmonton East)
Hunter
Keyes
Langan (Mission—Coquitlam)
Lee
MacLellan
Maheu
Marleau
Mifflin
Mills
Nault
Nystrom
Peterson
Proud
Rideout
Rodriguez
Samson
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Waddell
Wappel
Young (Beaches—Woodbine)—83

Anawak
Axworthy (Winnipeg South Centre)
Barrett
Benjamin
Blackburn (Brant)
Blaikie
Boudria
Butland
Catterall
Copps
Duceppe
Edmonston
Finestone
Flis
Gaffney
Gauthier
Gray (Windsor West)
Harvard
Hovdebo
Jordan
Kristiansen
Leblanc (Longueuil)
MacLaren
MacWilliam
Manley
McCurdy
Milliken
Murphy
Nunziata
Pagtakhan
Plamondon
Prud'homme
Rocheleau
Rompkey
Skelly (North Island—Powell River)
Speller
Stupich
Tremblay (Rosemont)
Volpe
Walker
Whittaker

NAYS

Members

Anderson
Attewell
Bernier
Blais
Boyer
Cadieux
Chadwick
Chartrand
Cole
Cooper
Corbett
Couture
Danis
DeBlois
Dick
Domm
Edwards
Fee
Fretz
Gibeau
Greene
Guilbault
Halliday
Hawkes
Horner
Hudon
James
Joncas
Kempling
Langlois
Layton
Lopez
MacKay
Martin (Lincoln)
Mazankowski
McDermid
Merrithew
Moore
Oberle
Plourde
Redway
Reimer
Robitaille
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wenman
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—114

Atkinson
Belsher
Bertrand
Bouchard (Roberval)
Brightwell
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dobbie
Dorin
Epp
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Johnson
Jourdenais
Landry
Larrivée
Lewis
MacDougall (Timiskaming—French River)
Malone
Mayer
McCreath
McLean
Monteith
Nicholson
O'Kurley
Porter
Reid
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
Wilbee
Winegard

PAIRED MEMBERS

Members

Allmand
Blondin-Andrew
Charest
Clark (Yellowhead)
Duplessis
Hopkins
Kaplan
Turner (Vancouver Quadra)

Bélair
Campbell (Vancouver Centre)
Clancy
Desjardins
Hockin
Jacques
McKnight
Young (Acadie—Bathurst)

The House divided on Motion No. 17, which was negatived on the following division:

(*Division No. 445*)

YEAS

Members

Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Jonquière)
Bouchard (Lac-Saint-Jean)
Breaugh
Caccia
Comuzzi
Dingwall
Duhamel
Ferguson
Fisher
Fontana
Gagliano
Gérin
Harb
Harvey (Edmonton East)
Hunter
Keyes
Langan (Mission—Coquitlam)
Lee
MacLellan
Maheu
Marleau
Mifflin
Mills
Nault
Nystrom
Peterson
Proud
Rideout
Rodriguez
Samson
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Waddell
Wappel
Young (Beaches—Woodbine)—83

Anawak
Axworthy (Winnipeg South Centre)
Barrett
Benjamin
Blackburn (Brant)
Blaikie
Boudria
Butland
Catterall
Copps
Duceppe
Edmonston
Finestone
Flis
Gaffney
Gauthier
Gray (Windsor West)
Harvard
Hovdebo
Jordan
Kristiansen
Leblanc (Longueuil)
MacLaren
MacWilliam
Manley
McCurdy
Milliken
Murphy
Nunziata
Pagtakhan
Plamondon
Prud'homme
Rocheleau
Rompkey
Skelly (North Island—Powell River)
Speller
Stupich
Tremblay (Rosemont)
Volpe
Walker
Whittaker

NAYS

Members

Anderson
Attewell
Bernier
Blais
Boyer
Cadieux
Chadwick
Chartrand
Cole
Cooper
Corbett
Couture
Danis
DeBlois
Dick
Domm
Edwards
Fee
Fretz
Gibeau

Atkinson
Belsher
Bertrand
Bouchard (Roberval)
Brightwell
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dobbie
Dorin
Epp
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)

Greene
Guilbault
Halliday
Hawkes
Horner
Hudon
James
Joncas
Kempling
Langlois
Layton
Lopez
MacKay
Martin (Lincoln)
Mazankowski
McDermid
Merrithew
Moore
Oberle
Plourde
Redway
Reimer
Robitaille
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
Wenman
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—114

Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Johnson
Jourdenais
Landry
Larrivée
Lewis
MacDougall (Timiskaming—French River)
Malone
Mayer
McCreath
McLean
Monteith
Nicholson
O'Kurley
Porter
Reid
Richardson
Roy-Arcelin
Shields
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Weiner
Wilbee
Winegard

PAIRED MEMBERS

Allmand
Blondin-Andrew
Charest
Clark (Yellowhead)
Duplessis
Hopkins
Kaplan
Turner (Vancouver Quadra)

Bélair
Campbell (Vancouver Centre)
Clancy
Desjardins
Hockin
Jacques
McKnight
Young (Acadie—Bathurst)

The House divided on Motion No. 18, which was negatived on the following division:

(Division No. 446)

YEAS

Members

Althouse
Benjamin
Blaikie
Breaugh
Duceppe
Fisher
Harvey (Edmonton East)
Hunter
Langan (Mission—Coquitlam)
Leblanc (Longueuil)
McCurdy
Murphy
Plamondon
Rodriguez
Skelly (North Island—Powell River)
Stupich
Tremblay (Rosemont)
Whittaker

Barrett
Blackburn (Brant)
Bouchard (Lac-Saint-Jean)
Butland
Edmonston
Gérin
Hovdebo
Kristiansen
Langdon (Essex—Windsor)
MacWilliam
McLaughlin
Nystrom
Rocheleau
Samson
Skelly (Comox—Alberni)
Taylor
Waddell
Young (Beaches—Woodbine)—36

NAYS

Members

Anawak
Arseneault
Attewell
Baker
Belsher
Bertrand
Bird
Blais
Bouchard (Roberval)
Boyer
Caccia
Campbell (South West Nova)
Catterall
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Cooper
Corbeil
Côté
Crosbie (St. John's West)
Darling
de Cotret
Dingwall
Domm
Duhamel
Epp
Ferguson
Finestone
Fontana
Fretz
Gaffney
Gauthier
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Guilbault
Halliday
Harvard
Hawkes
Horner
Hudon
James
Johnson
Jordan
Kempling
Kilgour (Edmonton Southeast)
Langlois
Layton
Lewis
MacAulay
MacKay
MacLellan
Malone
Marleau
Masse
Mazankowski
McDermid
Merrithew
Milliken
Monteith
Nault
Nunziata
O'Kurley
Paproski
Phinney
Porter
Prud'homme
Reid
Richardson
Robitaille
Roy-Arcelin
Shields
Simmons
Soetens
Speller
Stewart
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vanclief
Vankoughnet
Vien

Andre
Atkinson
Axworthy (Winnipeg South Centre)
Bellemare
Bernier
Bevilacqua
Blackburn (Jonquière)
Blenkarn
Boudria
Brightwell
Cadieux
Casey
Chadwick
Chartrand
Cole
Comuzzi
Copps
Corbett
Couture
Danis
DeBlois
Dick
Dobbie
Dorin
Edwards
Fee
Ferland
Flis
Foster
Friesen
Gagliano
Gibeau
Gray (Windsor West)
Grey (Beaver River)
Gustafson
Harb
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Jelinek
Joncas
Jourdenais
Keyes
Landry
Larrivée
Lee
Lopez
MacDougall (Timiskaming—French River)
MacLaren
Maheu
Manley
Martin (Lincoln)
Mayer
McCreath
McLean
Mifflin
Mills
Moore
Nicholson
Oberle
Pagtakhan
Peterson
Plourde
Proud
Redway
Reimer
Rideout
Rompkey
Scott (Hamilton—Wentworth)
Siddon
Sobeski
Sparrow
Stevenson
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Valcourt
Van De Walle
Vézina
Vincent

Volpe — Walker
Wappel — Weiner
Wenman — Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre) — Winegard
Worthy—174

PAIRED MEMBERS

Members

Allmand — Bélair
Blondin-Andrew — Campbell (Vancouver Centre)
Charest — Clancy
Clark (Yellowhead) — Desjardins
Duplessis — Hockin
Hopkins — Jacques
Kaplan — McKnight
Turner (Vancouver Quadra) — Young (Acadie—Bathurst)

Mr. Speaker: I therefore declare Motions Nos. 13, 14, 16, 17 and 18 lost.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved that the bill be concurred in.

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

(Division No. 447)

YEAS

Members

Andre — Atkinson
Attewell — Belsher
Bernier — Bertrand
Bird — Blackburn (Jonquière)
Blais — Blenkarn
Bouchard (Roberval) — Boyer
Brightwell — Cadieux
Casey — Chadwick
Champagne (Champlain) — Chartrand
Clark (Brandon—Souris) — Cole
Collins — Cooper
Corbeil — Corbett
Côté — Couture
Crosbie (St. John's West) — Danis
Darling — DeBlois
de Cotret — Dick
Dobbie — Domm
Dorin — Edwards
Epp — Fee
Ferland — Fretz
Friesen — Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine) — Greene
Grey (Beaver River) — Guilbault
Gustafson — Halliday
Harvey (Chicoutimi) — Hawkes
Hogue — Horner
Horning — Hudon
Hughes — James
Jelinek — Johnson
Joncas — Jourdenais
Kempling — Landry
Langlois — Larrivée
Layton — Lewis
Lopez — MacDougall (Timiskaming—French River)
MacKay — Malone
Martin (Lincoln) — Masse
Mayer — Mazankowski
McCreath — McDermid
McLean — Merrithew
Monteith — Moore
Nicholson — Oberle
O'Kurley — Plourde
Porter — Redway
Reid — Reimer
Richardson — Robitaille
Roy-Arcelin — Scott (Hamilton—Wentworth)
Shields — Siddon
Sobeski — Soetens
Sparrow — Stevenson
Tardif — Tétreault
Thacker — Thompson
Thorkelson — Tremblay (Québec-Est)
Tremblay (Lotbinière) — Turner (Halton—Peel)
Valcourt — Van De Walle
Vankoughnet — Vézina
Vien — Vincent
Weiner — Wenman
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre) — Winegard
Worthy—119

NAYS

Members

Althouse — Anawak
Arseneault — Axworthy (Winnipeg South Centre)
Baker — Barrett
Bellemare — Benjamin
Bevilacqua — Blackburn (Brant)
Blaikie — Bouchard (Lac-Saint-Jean)
Boudria — Breaugh
Butland — Caccia
Campbell (South West Nova) — Catterall
Comuzzi — Copps
Dingwall — Duceppe
Duhamel — Edmonston
Ferguson — Finestone
Fisher — Flis
Fontana — Foster
Gaffney — Gagliano
Gauthier — Gérin
Gray (Windsor West) — Harb
Harvard — Harvey (Edmonton East)
Hovdebo — Hunter
Jordan — Keyes
Kilgour (Edmonton Southeast) — Kristiansen
Langan (Mission—Coquitlam) — Langdon (Essex—Windsor)
Leblanc (Longueuil) — Lee
MacAulay — MacLaren
MacLellan — MacWilliam
Maheu — Manley
Marleau — McCurdy
McLaughlin — Mifflin
Milliken — Mills
Murphy — Nault
Nunziata — Nystrom
Pagtakhan — Peterson
Phinney — Plamondon
Proud — Prud'homme
Rideout — Rocheleau
Rodriguez — Rompkey
Samson — Simmons
Skelly (North Island—Powell River) — Skelly (Comox—Alberni)
Speller — Stewart
Stupich — Taylor
Tremblay (Rosemont) — Vanclief
Volpe — Waddell
Walker — Wappel
Whittaker — Young (Beaches—Woodbine)—90

PAIRED MEMBERS

Allmand — Bélair
Blondin-Andrew — Campbell (Vancouver Centre)
Charest — Clancy
Clark (Yellowhead) — Desjardins
Duplessis — Hockin
Hopkins — Jacques
Kaplan — McKnight
Turner (Vancouver Quadra) — Young (Acadie—Bathurst)

Mr. Speaker: When shall the bill be read the third time? At the next sitting of the House, pursuant to order made earlier this day?

Some hon. members: Agreed.

Ms. Langan: Mr. Speaker, the hon. member for Saskatoon—Dundurn thinks he was missed in the count for the last round and would like to have his vote included with the NDP caucus in the applied votes.

• (1755)

Mr. Speaker: Is it agreed?

Some hon. members: Agreed.

Mr. Shields: Mr. Speaker, I just want everyone in the House to realize that in Calgary today it is 20 degrees Celsius.

Some hon. members: Hear, hear.

Mr. Speaker: It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Mr. Boudria: On a point of order, Mr. Speaker. Given that it is 5.55 p.m., our colleague who has the private member's motion that we will be discussing now will only be entitled to have his motion discussed for five minutes. I would like to ask the consent of the House to call it six o'clock and permit this Private Members' Hour to be an hour, which after all was the intent behind the rules.

Mr. Speaker: The House has heard the suggestion by the hon. member. Is there agreement?

Some hon. members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

NATIONAL DEFENCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I am very pleased to speak on a follow-up to a question I asked the Minister of National Defence some time ago. The question was essentially on the report of the Auditor General who looked at the difficulty he saw in the defence program management system.

This was a very serious allegation because we are looking at expenditures of really fantastic and mind-boggling proportions and major programs in the hundreds of millions of dollars. It is not every program that is $6 billion or $10 billion. It is only the major capital projects, but it is not very difficult for a project to assume the dimension of $100 million.

The point I want to make at the outset, which I believe was missed by the minister, was that I did not make these allegations. They were made by no less an authority than the Auditor General. I know some of my previous colleagues in the Department of National Defence are uncomfortable about this observation.

I simply asked the present minister and her predecessor to make a comment on this, discuss it in defence committee or make a ministerial statement to say it was not accurate and the defence department was looking at it, or it was accurate and corrections were being made. I happen to think it is not totally accurate, but the point is, the observation has been made.

We are looking at tremendous expenditures in the controversial EH-101 program. Notwithstanding its merits, this expenditure in the magnitude of $5.8 billion is being managed by a program which the Auditor General calls into question. This controversial program is under discussion practically every day in the media and in this House. The more specific observation was made that the defence program management system does not totally address the system. Using the words of the Auditor General, it is also ineffective. He went on to say that all the problems that were observed occurred in the initial stages of these major programs. If that observation is overlaid on the situation as it exists with the EH-101 program, the result is a recipe for considerable concern and consternation with respect to those people who are following the progress of these important programs.

• (1800)

I would simply like the minister to address this observed deficiency. I would invite her to make a statement in the House of Commons. It is very simple and would take less than a couple of minutes. Alternatively, she could make use of the Standing Committee on National Defence and Veterans Affairs and appear in front of the committee to address this very disturbing and very significant observation that was made by the Auditor General who has the authority and credibility to do so.

I believe the minister should have a closer look at the question I asked, advance the answer she gave me and simply address the observation of the Auditor General. Is the defence program management system ineffective or not? If it is not, tell us why. If it is, what immediate measures are being taken to correct these deficiencies?

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am pleased to answer a question that the hon. member for Bonavista—Trinity—Conception asked the Minister of National Defence in this House on February 2.

Since the Auditor General took a representative sample of projects in February 1991, the Department of National Defence has made important changes which directly affect this management problem. For greater efficiency, the Canadian Forces have adopted capital programs which reflect the defence policy announced in September 1991 regarding present and future military roles.

The restructuring at national defence headquarters to support this initiative led to the setting up of a team responsible for co-ordinating and monitoring the defence program management system. The streamlining of the project approval process and some needed changes should lead to greater efficiency and savings in the project management cycle.

Since the hon. member raised the issue of the EH-101 project, I would like to make the following comments. Several recommendations made by the Auditor General have already been implemented in that project. For example, no contractor was given responsibility for the whole project. Instead, this responsibility is shared by two main contractors who will work in their respective fields of competence.

One of the main contractors is from another country, while the other is Canadian. Also, procurements were made in the most sensible way by buying what we could in Canada, in the best interests of our economy.

I also want to point out that these two main contractors have the contractual obligation to provide for regional economic benefits in Canada, which will be monitored and assessed by IST Canada. If these two contractors do not meet their obligations, they will incur appropriate penalties.

[*English*]

INDIAN AFFAIRS

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, further to my question to the Minister of Indian Affairs on February 24 I am pleased to have this opportunity to speak about native hunting and fishing rights in Ontario.

The Williams treaty was signed in 1923 and is the most recent Ontario treaty with the native peoples. This treaty involves seven Indian bands in south-central Ontario and included a very substantial financial compensation to the Indian bands in the amount of $500,000 in return for their giving up any right to fish and hunt during closed seasons.

In 1993 dollars this compensation is equivalent to $20 million. The courts have ruled that due to the treaty, members of the seven bands must obey the seasons and regulations.

• (1805)

In one particular case, Mr. George Howard was charged and convicted for fishing in the closed season. He has appealed through the courts up to and including the Ontario Court of Appeal. Each time his conviction and therefore the Williams treaty has been upheld.

The Ontario government is now seeking to ignore these facts and give licences in the form of interim agreements to the seven Williams treaty bands.

The legality of the Williams treaty has been upheld by the courts yet the provincial government pushes on. The area which will be affected includes approximately 1.5 million Ontario residents and cuts a huge swath through the heart of Ontario's tourism and recreational industry.

To arbitrarily tear up this treaty would not only do serious harm to these industries, but also damage the lasting good relations between Ontario's native peoples and non-natives, perhaps to the point where public safety could be threatened. Conservation in Ontario would also be put into peril by such actions.

Ontario Ministry of Natural Resources biologists have recently urged for a shorter wall-eye season, not an open season and that is taking into account the fact that the current closed season and sanctuaries apply today to both natives and non-natives. To totally open up the season which is closed year-round to fishing for natives simply does not make sense.

A recent report has indicated that the majority of Canadians favour native self-government. However, achieving this by tearing up existing treaties without consultation with all interested stakeholders will only create discord and bitterness where bridges and understanding are needed.

I am not questioning the ideal of native self-government. Surely the $5 billion to $6 billion spent by the federal Department of Indian Affairs and Northern Development can be more efficiently directed by native Canadians themselves in a similar manner as municipal government does under the provincial division of powers in the Constitution, only under federal jurisdiction.

The process however is presenting problems. Whether it be a question of native hunting and fishing rights, a question of land claims, as is the case with the Algonquins of Golden Lake claiming a large portion of eastern Ontario, or the efforts of the Canadian Parks and Wilderness Society to designate the Madawaska highlands region in my riding as an endangered spaces area, special privileges for any one group are not acceptable to my constituents in Hastings—Frontenac—Lennox and Addington. Native self-government should be clearly defined and must not ignore existing treaties and laws.

Only by way of thorough consultation and understanding can an acceptable solution be found and the rights of all concerned be respected.

I caution the Government of Ontario and the federal government of the dangerous emergence of nationalism. In the former Yugoslavia, in the former Soviet Union and Czechoslovakia, as well as in Canada, there is an increasing tendency for historic tribal or nationalistic groupings to want special status.

We all know Canada is a very difficult country to govern due to its size and the diversity of its people. Over the past decade, the constitutional debate has highlighted the difficulties which exist in a bilingual nation and with the status of First Nations within Canadian boundaries, to say nothing about racial and ethnic groups increasingly promoting their nationalism.

The last thing we want in—

The Acting Speaker (Mr. DeBlois): I am sorry. The rules are tough, but rules are rules.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, in reply to the hon. member I would like to explain first how the jurisdiction of our fisheries is shared between the federal government and the province of Ontario.

Section 91(12) of the Constitution Act of 1867 gives the federal government the responsibility for the sea coast and inland fisheries.

In non-tidal waters, the provinces have partial jurisdiction over fisheries that arises from provincial ownership of the water-bed or where the water-bed is privately owned, from their jurisdiction, as a result of section 92(13) of the Constitution Act of 1867 over property and civil rights.

As part of their jurisdiction the provinces allocate the fishery in non-tidal waters after conservation needs have been met. Moreover, nearly 100 years ago the federal government delegated administrative management responsibility to the Government of Ontario. I want to emphasize this point very clearly. The province of Ontario like other inland provinces is the manager of those fisheries within its boundaries.

The province wants to amend the Ontario fishery regulations so Ontario could issue aboriginal community fishing licences under the Ontario Game and Fish Act to the Williams treaty bands to fish for food and social and ceremonial purposes. Proposed changes to the Ontario fishery regulations, which are passed pursuant to the Fisheries Act, must be processed by the federal government.

Provinces proposing regulations should consult with parties likely to be affected by the regulation so that their concerns can be considered. I do not think it wise or appropriate for the federal government to re-enter the field of regulating Ontario's fisheries either in part or in whole. I do not think Ontario anglers need a second level of bureaucracy imposed on them.

• (1810)

It is the minister's intention to honour the long-standing agreements authorizing Ontario to exercise management responsibilities in this area. Consequently should Ontario submit a final version of the proposed regulation the federal government will process it in the usual manner.

REVENUE CANADA

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, on March 18 I raised a question with the Minister of National Revenue regarding his reported decision to not even attempt to collect over half a million dollars in GST payments that were refunded by mistake to the yes side of the referendum committee in last October's referendum.

The minister's excuse that the yes committee comprising party officials from the Liberals, the Conservatives and NDP has officially disbanded therefore the government cannot collect is outrageous.

There is great confusion over the minister's statement. On the one hand the minister has ruled that the GST refund is owed to Revenue Canada by the yes side of the referendum committee. Then the minister says it was an ineligible refund and therefore cannot be applied against the expenditures in the committee's referendum finance return.

On the other hand he has said that he cannot collect the money because the yes committee is disbanded. I say the committee has not disbanded because Elections Canada is waiting for the minister's ruling but he is sending mixed messages to Elections Canada.

Perhaps the minister is not aware that the referendum finance return of the yes side referendum committee is being held in limbo by Elections Canada waiting for the claim dispute to be resolved. Therefore it does not see the yes committee as being disbanded.

I would like to point out that if the Elections Canada ruling is in favour of the yes referendum committee and it is allowed to apply the GST credits to its expenditures it could be sufficient to reduce its expenditures to fall within limits as defined by the Referendum Act.

If, however, the Elections Canada ruling is not in favour of the yes committee there is a possibility it has broken the law in the Referendum Act because it has exceeded the expenditures limit and would be subject to penalties.

Canadians see the potential for improprieties by the minister and his department. I might add that this decision also raises many unanswered questions such as how it was given a GST registration number in the first place. Some of us believe it does not qualify for that. What implication does this have for candidates in party elections financing in the upcoming election? This incredible policy, favouritism for the yes referendum committee, is not only immoral but is of an extremely important precedent setting level.

Maybe the parliamentary secretary could explain to the House why Revenue Canada officials are prepared to go so far in pursuing ordinary Canadians when in the case of the yes committee they are not even going to try to collect.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I rise in order to respond to the question asked by the hon. member for Calgary Northeast with regard to the Department of National Revenue's policy concerning uncollectable GST and more specifically with respect to its application to the yes referendum committee.

It has always been the department's policy to administer the Excise Tax Act in a fair, impartial, predictable and consistent way, using the rules, sanctions and processes securely founded in law. The majority of Canadians meet their tax obligations with good grace.

Sometimes, however, there are situations when the government is not always able to collect the amount of tax due. In the case in point the Canadian Referendum Committee, which ceased to exist as of February 26, 1993 under the terms of the Referendum Act, has no remaining assets and is unable to conduct any further activities.

It is unfortunate that the inaccuracy of the information provided to the department and the department's misconceptions regarding funding and viability of the committee has led to this amount being uncollectable.

I want to assure the House that the action taken by the Department of National Revenue with the yes referendum committee in this situation is the same that the department would take with any other registrant in similar circumstances.

• (1815)

I assure the House that the Department of National Revenue administers the Excise Tax Act in such a manner that all taxpayers are treated equitably and fairly.

[*Translation*]

LANGUAGE MINORITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on March 8, 1993, I asked the Secretary of State whether she had embarked on serious negotiations with the provinces to set up school management in those provinces that continue to show some reluctance, namely Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Newfoundland. I will get to the other provinces later.

The minister answered that she was discussing with her colleagues "a series of measures to help the provinces"—those are her very words—and that she expected to be able to start discussions with the provinces in the coming weeks.

Let me give some historical background. In the Mahé case, in Manitoba, three years ago, and more recently—just a couple of weeks ago as a matter of fact—in the case of the Manitoba Parents' Committee Federation, the Supreme Court of Canada recognized that minorities have the constitutional right to manage their own educational institutions. In fact, it has ruled that Section 23 of the Canadian Charter of Rights and Freedoms grants parents from the linguistic minority of that province the right to manage and control the educational facilities where their children receive education.

How much further ahead are we now, 11 years after adopting this Charter? There are of course quite appalling disparities. I admit that there have been negotiations between the federal and provincial levels of government. The fact remains that Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Newfoundland are holding out. On the other hand, the Atlantic provinces of Canada, which are not the richest, agreed and have implemented a series of measures to put management in the hands of their minorities. In Quebec, the anglophone minority has been managing its own schools, from elementary to postsecondary, for quite a while.

The provinces that put up the most resistance or reluctance are not the poorest. Ontario, Alberta and British Columbia certainly cannot be labelled as poor. But the federal government said: "It is going to provide them with financial assistance." They have been negotiating for years now. Last year, I had hope because the then Secretary of State, the hon. member for Berthier—Montcalm, had suggested to me in this House that an agreement would be signed very shortly. The federal government promised some help. Negotiations have been going on for quite a few years now. I was very hopeful last year. The then Secretary of State had indicated to me in the House that an agreement was about to be signed. But nothing happened. Now we have a new Secretary of State who tells me that negotiations are still ongoing.

Where is the political will of this government to negotiate a comprehensive agreement with all the provinces in order to give members of our linguistic minorities the right to manage their own institutions, a right which is entrenched in the Constitution?

My question is simply this: What progress have we made in these negotiations? I understand that the new minister is attempting to meet with the province of Ontario, for instance, and come to some agreement on certain issues. It is not easy, I know. The NDP government in Ontario turns a deaf ear and claims that it has not heard from the minister in quite some time now. But I know full well that it is not so and that she has been trying to meet with it time and time again and to speak with the minister of education and skills development.

Now the said minister claims that the federal government is spiteful and acts in bad faith. I am sorry but I have to ask the parliamentary secretary to set the record straight. We must know what is going on. Is the federal government negotiating with the province of Ontario or not? Is there a general agreement regarding school management between the federal government, the western provinces and Ontario?

I would like to know if this government has any political will to deal with this issue which has been dragging on for several years now. I know that I have the support of members in this respect and that they are fed up with excuses and explanations which do not hold any water. I am told that we have the Official Languages Act. What good is a legislation that is not enforced? What good are all our laws if nobody has the guts, the will to enforce them?

Mrs. Nicole Roy-Arcelin (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am pleased to answer the question asked by the hon. member, on March 8, about the right of the francophone minorities to manage their own educational institutions.

The federal government has always supported, in a very concrete way, official language minorities, especially in the area of school management.

The government provided funding, in several provinces, to working groups made up of people involved in education, including representatives from minorities. These working groups have studied school management by minorities. French-speaking communities have welcomed the reports tabled by these working groups.

Moreover, the memorandum of understanding signed by the government in 1988 and the bilateral agreements with the provinces and territories have given official language minority groups easier access to education in their own language.

Supplementary agreements with several provinces, including Saskatchewan, have filled specific or appropriate needs.

As she already mentioned several times, the Secretary of State of Canada has discussed with her Cabinet colleagues a package of measures to help provinces set up school management by minority groups. Talks are continuing, and we expect to start, in the next few weeks, actual negotiation with the provinces.

The Secretary of State submitted to her cabinet colleagues a proposal to renew the Official Languages in Education Program. Pretty soon, we will be starting discussions with the provinces, which should lead to a new Protocol and new agreements.

Let me remind the House that education is a provincial jurisdiction. The federal government has always clearly shown the provinces its willingness to help them fulfil their constitutional obligations. But the provinces have to provide appropriate structures for official languages minorities to manage their own educational institutions.

In that sense we welcome the decision handed down by the Supreme Court of Canada last week, on March 4, three years after the Mahé decision.

While reinforcing the previous decision, the Supreme Court decision adds more elements which provincial governments will have to consider when they prepare school legislation. The federal government will have to be convinced that provinces abide by these principles before supporting any school management program.

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 38(5), a motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.22 p.m.